

CANADA'S UNEMPLOYMENT PROBLEM

STUDIES OF THE INSTITUTE OF PUBLIC AFFAIRS
AT DALHOUSIE UNIVERSITY

Canada's Unemployment Problem

A Symposium edited by

L. RICHTER

To be published later

Studies in The Economy of the Maritime Provinces

BY S. A. SAUNDERS

The Next Step in Canadian Education

BY B. A. FLETCHER

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By

H. M. CASSIDY, W. L. JACOBSON, W. M. JONES, DOROTHY KING,
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Edited by

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DALHOUSIE UNIVERSITY

With a Foreword by

HON. NORMAN McL. ROGERS
MINISTER OF LABOUR



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FOREWORD

THE editor has invited me to write a foreword to this volume and I am pleased indeed to give encouragement and support to this attempt to throw the light of experience on the problem of reducing unemployment in Canada and of mitigating its effects upon our people.

No intelligent person would attempt to belittle the magnitude and complexity of the subject. It is natural that there should be differences of opinion as to the wisest policy in dealing with unemployment and with unemployed persons. Information based upon the experience of those who have made a special study of unemployment or who are engaged in administering measures for the re-employment or relief of unemployed persons is of primary value. The wider such knowledge is disseminated the better equipped will be Governments, social agencies, groups in local communities, employers, trade unions and individuals to deal with whatever phase of the matter comes properly before them. In no field is it of greater importance to realize the opportunity and responsibility of individual citizens and private welfare organizations. The problem of unemployment will not be solved by any one line of attack or by any one agency. It

requires the continued co-operation of governmental authority and private enterprise. The achievement and maintenance of such co-operation must be our constant aim in Canada.

NORMAN McL. ROGERS.

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INTRODUCTION

THIS is the first study to be published under the auspices of the Institute of Public Affairs at Dalhousie University. The Institute was established to link the universities and the Governments of the Maritime Provinces and Newfoundland in promoting efficient public administration. On its Council are represented the Governments of Nova Scotia, New Brunswick and Prince Edward Island, the Unions of Municipalities of Nova Scotia and New Brunswick, and the Commission of Government of Newfoundland, as well as the major universities and colleges in these areas.

This book, like the Institute, is a co-operative enterprise. In planning it an attempt has been made to pool the resources of those persons throughout the Dominion who, as practical administrators, scientists or teachers, have acquired special experience in the handling or studying of unemployment and unemployment relief. Each of them was allotted a phase of the problem to which he or she had previously given special attention. Although their knowledge was necessarily gained in one geographical area, it has enabled them to use with proper appreciation the materials collected in other areas. In order to avoid any gaps or overlapping, a

plan of the undertaking was drafted before the group began its work. The plan outlined the major problems now treated in the various chapters, and provided for the co-ordination and unification of the whole.

The method offers the advantage of having a complicated subject presented with expert knowledge. This seemed all the more desirable as some of the problems involved have received so much political discussion—not only in Canada but elsewhere—that for the interested citizen, who cannot make a special study of the question, it has become difficult to form an impartial opinion. To furnish him with the necessary information, to give him facts and figures essential to the understanding of Canada's unemployment problem, to analyse these facts, to acquaint him with the measures taken to relieve distress and the results obtained in these efforts, is the purpose of this study. It does not intend to show what ought to have been done nor does it pretend to devise new policies, though some of the chapters do contain suggestions that have grown out of the personal experience of the writers. For the same reason, no critical appraisal has been given of the propositions contained in the Final Report of the National Employment Commission (Purvis Commission), but its more important recommendations are discussed in various chapters. Some of the chapters of this book were already completed before the publication of the Final Report of the Purvis Commission.

Among the contributors to this study are high ranking Civil Servants of the Dominion and the provinces, who discuss important phases of social administration. Discussion of administrative problems by Civil Servants has not been a common practice in this country though it is in keeping with the tradition of many European countries. Naturally Civil Servants are under some restraint when reviewing governmental measures, but their silence on questions of policy is more than compensated by their revealing knowledge of those practical matters of administration that outside observers, however keen, find very difficult to acquire unless by contact with Government officials. This renders the contributions of Civil Servants to such journals as *Public Administration*¹ invaluable to the student of public affairs, and seems to justify the attempt to use that important source of information in a study of unemployment in Canada.

A word of explanation may be offered for the fact that in this volume problems of urban unemployment are in the foreground, though more than half of Canada's population still lives in rural districts. But apart from the drought areas of the Prairies, which are the subject of a special chapter, unemployment and unemployment relief in Canada are preponderantly urban problems. Of the 471,000 persons receiving direct relief or, as it is now called, material aid, of a non-agricultural type in August 1938—the figures include all dependants—300,000

¹*Journal of the British Institute of Public Administration.*

lived in cities of over 25,000 inhabitants and more than half of them—158,000—in the two cities Montreal and Toronto.

The editor and the contributors are much indebted to numerous officers of the Dominion, provinces and municipalities who gave helpful advice and valuable information. Special thanks are due to Miss Margaret Mackintosh of the Research Branch, Department of Labour, who read the greater part of the manuscript and whose suggestions have been of great assistance; and also to Harry Hereford, Unemployment Relief Commissioner in the same Department.

The chapters treating related subjects have been read by an editorial committee composed of the contributors concerned. This was, however, done only to provide for the necessary co-ordination. The author of each chapter assumes exclusive responsibility for his statements.

Two other studies will be published under the auspices of the Institute of Public Affairs at Dalhousie University in the near future. They are *Studies in the Economy of the Maritime Provinces* by S. A. Saunders, and *The Next Step in Canadian Education* by B. A. Fletcher, a book advocating larger units of school administration.

L. RICHTER.

CANADA'S UNEMPLOYMENT PROBLEM

I

NATURE AND EXTENT OF UNEMPLOYMENT IN CANADA

S. A. SAUNDERS

UNEMPLOYMENT is a phenomenon peculiar to the modern industrial system. Under other forms of social organization there have been hard times, famines caused by wars and crop failures, and distress resulting from floods and pestilences; but unemployment can arise only when there are wage-earners who can be dismissed from their occupations and when there is a market in which adjustments can be made by a curtailment of output as well as by a reduction of costs.

Unemployment occurs when the supply of labour is in excess of the demand for labour. This failure of demand to equal supply may be the result of an increase in the number of workers or a decrease in the number of positions, or of both. An increase in the number of workers may be caused by a general increase of the population, by changes in the age groups of the population, and by immigration. A decrease in the number of positions may be caused by an increase in the technical efficiency of industry and by the absolute decline of an industry owing to changes in economic forces. A decrease in the number of positions may also be caused by factors that give rise to seasonal unemployment, such as climate and the habits of the consuming public, by periodic

failures of the market to absorb the industrial output, which give rise to depressions, and by a divergence between the market price for commodities and the market price for labour. The excess in the supply of labour might be lessened or removed by the reversal of those factors that tend to increase the number of workers or of those factors that tend to decrease the number of positions. Some of the factors manifest themselves only over a long period, and others, such as seasonal fluctuations, are short-run phenomena.

The economic depression that began in 1929 brought to this country for the first time a seemingly intractable problem of unemployment. To be sure, there had been periods of unemployment in the past, but their severity had been mitigated and their duration shortened by the rapid exploitation of virgin resources.¹ The present unemployment problem in Canada is more nearly akin to the problem that has been faced many times by the older and more highly industrialized countries; but, because industrialism came late to Canada, and because the problem in its present form was new to Canada, she lacked both the experience and the machinery to deal with it effectively.

The course of the depression as reflected in unemployment can be observed in the following table, which gives the returns from a few countries for the years 1929 to 1937. In this table, the figures for each year are given as a percentage of the 1932

¹See H. A. Innis, "Economic Conditions in Canada in 1931-1932", in *The Economic Journal*, March, 1932.

figures. The year 1932 has been taken as the base because it was in 1932 that the depression struck bottom in most countries and for the world as a whole. Percentages have been given because international comparisons of the actual figures would be very misleading, owing to the wide differences in the accuracy and completeness of unemployment statistics in various countries. As alterations have been made since 1929 in classifications and in the methods of compiling the statistics, even the degrees of change that are shown by the percentages are not comparable. But the table is useful in showing that unemployment rose steadily from 1929 to 1932 or 1933, and then began to decline. Of the countries included in the table, France is the only exception to this general statement.²

TABLE NO. 1*

UNEMPLOYMENT—1929 TO 1937

(Percentage Changes—1932 = 100)

	UNITED KINGDOM	UNITED STATES	GERMANY	FRANCE	AUSTRALIA	CANADA
	%	%	%	%	%	%
1929....	44.3	3.7	33.9	3.2	39.2	16.8
1930 ..	70.0	30.8	55.2	4.2	70.8	53.4
1931....	95.5	65.1	81.1	24.3	98.3	69.4
1932 ...	100.0	100.0	100.0	100.0	100.0	100.0
1933 ...	90.2	102.1	86.2	99.7	86.6	101.4
1934 ...	76.3	84.1	48.7	122.1	72.5	81.5
1935. .	71.3	78.6	38.6	150.9	60.0	75.7
1936 ...	61.5	65.2	28.6	154.2	45.0	67.4
1937....	52.1	56.2	16.4	123.0	35.0	52.8

*The percentages for Canada are based upon estimates of the Dominion Bureau of Statistics, prepared by Mr M. C. MacLean. The United States percentages are based upon percentages appearing in the *Conference Board Bulletin*, July 30, 1938. The other percentages are based upon data appearing in the publications of the International Labour Office.

²France followed a monetary policy that forced internal prices to continue falling long after they had ceased to fall in most other countries.

Measuring Unemployment Trends in Canada.

In considering unemployment in Canada, the pre-war period will be passed by unnoticed, and only a glance will be taken at the period from 1919 to 1929, but particular attention will be paid to the period from 1929 to the present day. The reasons for this procedure are few and simple: Canada was a mere youth in industrial development before the war, and, as unemployment is largely a problem that comes with industrialism, the experience of older and more mature countries offers a more fruitful field to the investigator. In the decade following the war, economic difficulties as reflected in unemployment were not so obvious in Canada as elsewhere. Perhaps most important of all, the data pertaining to Canada have not been sufficiently analysed to make possible a succinct statement of the problems in this country. For the period of the depression, more analyses are available, especially those that have been made by Dominion and Provincial Civil Servants.

The first step will be to obtain an appreciation of the volume and trend of unemployment. The primary sources of information are: The reports of unemployment among the members of Trade Unions; the returns showing applications for work and placements made through the Employment Service of Canada; the data compiled by the Dominion Bureau of Statistics and made available through its periodic publications on the employment situation in Canada; and the census returns.³

³*Seventh Census of Canada, 1931, Vol. VI, Unemployment.*

Unionized labour in Canada makes up about fifteen per cent. of the total body of wage-earners, and a large percentage of these unions submit figures of unemployment among their members to the Department of Labour, Ottawa. The unions so reporting would cover about ten per cent. of the total number of wage-earners in Canada: a sample sufficiently large, if sufficiently representative, to give a fair indication of trends. But all branches of labour are not equally unionized; when unemployment is prolonged, trade union membership has a tendency to decline; and, except in those unions that offer some inducement, such as unemployment benefits, all the members unemployed are not likely to register. For these reasons, returns from Trade Unions, although reflecting the general direction of the trend of unemployment, are inadequate in themselves to indicate either the total number unemployed or the degree of change in the unemployment situation.

The Employment Service of Canada offers its facilities free of charge to persons looking for employment and to employers with vacancies to be filled. Figures of the number of applications for work, of the number of vacancies reported, and of the number of placements effected, are published regularly in the *Labour Gazette*. However, not all the unemployed register with the Employment Service, nor are all vacancies reported, and it frequently happens that, when unemployment is widespread and increasing, registrations with the Employment Service drop, simply because of the

realization that the chances of obtaining work at such times, through this medium, are very remote. By way of illustrating the inadequacy of this source of information, it is only necessary to state that the number of men registered in 1932 was 512,000 against 685,000 in 1931 ⁴

The index of employment compiled by the Dominion Bureau of Statistics is based on returns from "establishments employing more than fifteen persons in industries other than agriculture and finance". In 1921, the number of workers covered by these returns was 36 per cent. of all wage-earners employed, and, in 1931, 44.8 per cent. The sample is sufficiently large, and covers a sufficient variety of occupations, to be considered as representative of the total body of wage-earners. It is possible from these data to estimate with a remarkable degree of accuracy the total number of wage-earners at work from month to month, and it might be thought that all changes in the total number employed would be reflected in equal, but opposite, changes in the total number unemployed, if allowance were made for variations in the size and composition of the population. But this does not necessarily hold true, because the total number of wage-earners does not represent a constant proportion either of the population or of the gainfully occupied. More will be said later concerning changes in the total number of wage-earners, but, for the present, it is sufficient to emphasize that

⁴*The Canada Year Book*, 1936, p. 767.

changes in the total number employed do not necessarily involve equal and opposite changes in the total number unemployed.

In the decennial censuses of Canada, a great deal of very valuable information is collected on the subject of unemployment. This source has the weakness that the information applies only to the day on which the census is taken. For a census of unemployment to be valuable in measuring changes, the information would have to be collected at frequent intervals; but to ascertain the number of unemployed by means of a census would involve an expenditure only slightly less than the expenditure necessary to enumerate the entire population, and, furthermore, the information so collected is not wholly reliable in all respects.

The quandary in which the student finds himself when looking for a quantitative statement of the volume of unemployment in Canada has been resolved to a great extent by Mr. M. C. MacLean, of the Dominion Bureau of Statistics.⁵ Mr. MacLean, working with information obtained from the above-mentioned and other sources, which he used either as basic data or as corroborative evidence, has prepared an estimate of the total number of wage-earners, the number of wage-earners at work from

⁵See *Memorandum on the Volume of Unemployment since 1921, and The Trend of Unemployment since 1920—Inter-Censal and Post-Censal Estimates*, Ottawa: Dominion Bureau of Statistics.

Much of what appears in this section is taken in whole or in part from these two studies, and much more is the result of suggestions made by Mr. MacLean in conversation with the writer. It is not possible to acknowledge each separate contribution, but Mr. MacLean's assistance has been invaluable.

time to time, and the number unemployed. Of this investigation, Mr. MacLean writes:

"The following study of the trend of unemployment is practically confined to calculations of unemployment month by month since June, 1920. The task of making such calculations, especially for the period following the Census of 1931, is not only great but perilous. It is a fact, however, that no worth-while constructive work has ever been accomplished without tackling such difficulties, and the pressing need for some quantitative guide to current unemployment conditions justifies the risk of an estimate."

The statistical method cannot be stated here, but all available evidence corroborates the results.

Table No. 2 shows the yearly averages of the total number of wage-earners and the total number unemployed, and is derived from the monthly figures given in Mr. MacLean's study.

The unemployed person in these estimates is "the person who could tell a census enumerator that he had worked as a wage-earner or that he had a wage-earning occupation, but is at present out of work (not through illness, accident, strike or lock-out, etc.)." This definition may not suit everyone, for, among other things, it excludes from the unemployed those young persons who have reached working age and who are looking for, but have not found, employment. However, the definition is the one followed in the censuses, and, once adopted, must be strictly adhered to. Humpty Dumpty may pay his words extra and make them mean just what

TABLE No 2

CANADA—AVERAGE NUMBER OF WAGE-EARNERS, AND
AVERAGE NUMBER UNEMPLOYED, FOR THE YEARS
1921 TO 1937
(000's omitted)

YEAR	WAGE-EARNERS*		
	AVERAGE NUMBER	AVERAGE NUMBER UNEMPLOYED	PER CENT UNEMPLOYED
1921	1,971	176	8.9
1922	1,967	137	7.0
1923	2,058	101	4.9
1924	2,041	145	7.1
1925	2,063	144	7.0
1926	2,140	99	4.6
1927	2,209	62	2.8
1928	2,359	60	2.5
1929	2,551	107	4.2
1930	2,654	341	12.9
1931	2,537	443	17.4
1932	2,459	638	26.0
1933	2,434	647	26.6
1934	2,528	520	20.6
1935	2,539	483	19.0
1936	2,572	430	16.7
1937	2,706	337	12.5

*For a definition of *wage-earner* as the term is used here, see p. 13.

he wants them to mean, but statistics cannot be, or, at least, ought not to be, treated in this way.

Before proceeding with a discussion of the unemployment figures that are given in the above table, it is advisable to deal with the fluctuations in the total number of wage-earners. It is not generally appreciated that the total number of wage-earners, employed and unemployed, can increase or decrease rapidly, and that the direction of change can be suddenly reversed. It will be admitted, of course, that the numbers would tend to increase as population increased, would be affected by immigration and emigration, and would change with changes

in the age composition of the population, and with changes in the economic structure of the country.

From 1921 to 1925, the total number of wage-earners increased by 92,000, or 4.7 per cent. From 1925 to 1929, there was an increase of 488,000, or 23.6 per cent. The increase continued into 1930, but from 1930 to 1933 there was a decrease of 220,000, or 8.3 per cent. From 1933 to 1937, the figures rose until in the latter year they were slightly higher than in 1930.

The general increase in population throughout the seventeen years, 1921 to 1937, would be expected to cause a general increase in the total number of wage-earners. During the early twenties, immigration was at a fairly low level, and many Canadians were going to the United States to find employment. From 1925 to 1930, there was a strong return flow of Canadians from the United States; and from 1927 to 1929 immigration was much brisker than during the years immediately preceding. From 1930 to 1937, emigrants returning from Canada to their native lands doubtless exceeded the number of new immigrants arriving. Although these movements in the population account in part for the fluctuations in the figures of total wage-earners, they are inadequate to fully explain the very rapid movements and the very sudden changes.

The problem may be put more realistically by considering the changes that took place between 1933 and 1937. In 1933, the total number of wage-

earners was 2,434,000, of whom 1,787,000 were employed, and 647,000 were unemployed. In 1937, the total number of wage-earners was 2,706,000, of whom 2,369,000 were employed, and 337,000 were unemployed. In the four years, the number of wage-earners at work increased by 582,000, but only 310,000 were drawn from the ranks of the unemployed; the remainder, 272,000, came from some other source.

It needs no display of statistics to convince the reader that this increase of 272,000 in the number of wage-earners could not result entirely from either the joint or several effects of population increase, immigration, returning Canadians, changes in the age composition of the population, or changes in the economic structure of the country. It seems that there must be a reserve force from which wage-earners are drawn when employment is increasing and to which they return when employment is decreasing. In an endeavour to discover this reserve force, the next step will be to examine the figures of the 1931 census.

According to the 1931 census, the population of Canada numbered 10,362,833. Of these, 2,203,000 were under ten years of age and may be disregarded in the present discussion. The remainder, 8,159,000, may be divided into two main classes, the *gainfully occupied* and *all others*. The gainfully occupied numbered 3,927,000, and, as most attention is to be paid to the gainfully occupied, the other class, numbering 4,232,000, will be considered first.

This 4,232,000 is made up of a number of groups: married, widowed, and divorced women; persons at school; persons on income; and unclassified. Married, widowed, and divorced women, who contribute to the economic life of the country chiefly through work in their homes, numbered 2,099,000; persons at school, 1,330,000; and persons on income, 210,000. Except under extreme circumstances, such as a war, there would not be sufficient change in these three groups to cause any rapid change in the total number of wage-earners. The unclassified, the remainder of this general class, numbered, 593,000.

Some have considered that the unclassified group is the repository for the reserve force of wage-earners. In 1931, as already stated, the unclassified group numbered 593,000, of whom 201,000 were males and 392,000 females. Of the females, many were undoubtedly doing useful work in assisting at home, but an examination of the census schedules makes it clear that most of the remainder, both males and females, were unemployable. Furthermore, the group tends to form a constant proportion of the population, but if it contained the reserve force of the wage-earners, it would have to permit of a considerable expansion or contraction over a short period of time. For these reasons, it is incorrect to consider the group as made up of potential workers, nor is it legitimate to add its numbers to the number of unemployed, as has sometimes been done. The search for the reserve force of workers cannot stop here.

By the process of elimination, the quest leads to a consideration of the class gainfully occupied. The gainfully occupied are those who take part directly in the production of goods and services that are, as a rule, exchanged for money. In 1931, to repeat, the class numbered 3,927,000, of whom 2,570,000 were wage-earners. A wage-earner, as the term is used in the census, is anyone who is gainfully occupied and is on a wage or salary. When the number of wage-earners is deducted from the total gainfully occupied, there is a remainder of 1,357,000, which is made up of employers; independent workers; and no-pay workers, such as farmers' sons or members of a family who are not paid any stipulated wage or salary, but who are aiding directly in supplying those goods or services from the sale of which the family is supported. These four groups: the wage-earners, employers, independent workers, and no-pay workers, constitute the gainfully occupied, which is a fairly constant proportion of the total population. Therefore, if the number of wage-earners increases at a faster rate than the entire class of gainfully occupied, the increase will be made at the expense of one of the other groups among the gainfully occupied; and, if the number of wage-earners decreases without a corresponding change in the total number gainfully occupied, the losses will have to be added to one of the other groups. It is now possible to appreciate that the reserve force of wage-earners is to be found among the other groups of the gainfully occupied. When

employment is brisk, people leave these groups to become wage-earners; and, when employment lags, they leave the ranks of wage-earners and are absorbed by the other groups.

From the peak of prosperity to the trough of depression, many wage-earners became independent workers, that is, they entered or returned to private pursuits, and others returned home to become no-pay workers. The number of no-pay workers was further increased by young persons of working age who were deterred from entering the ranks of wage-earners because of business conditions. When business began to improve in the spring of 1933, the decrease in the number of unemployed did not proceed *pari-passu* with the increase in the number employed, because workers who had left the ranks of wage-earners to work on their own account or to become no-pay workers returned to fill some of the positions that became available, and the unemployed also had to meet the competition of young persons entering the ranks of wage-earners for the first time. It is quite obvious that many of these changes were simply transferences of persons from one group to another, and, since this is so, it is legitimate to ask why these potential wage-earners are not placed in a separate group, or even included in the group of wage-earners. The answer is twofold: first, that it is necessary to define the various divisions and sub-divisions, and once a definition has been accepted it must be strictly adhered to; and, second, that it is impossible to give any

very reliable estimate of the number of potential wage-earners. There seems no alternative, at least in a country such as Canada, to accepting this element of uncertainty in the statistical data pertaining to employment and unemployment.

Another difficulty arises from the fact that there is no possibility of a numerical statement of the independent workers whose circumstances have been rendered comparable to the circumstances of the unemployed.

“If a person was a cobbler on his own account and had had no customers for a month, he would not be ‘unemployed’ during that month . . . since he was not a wage-earner. His hardships, of course, were just as great as those of the wage-earner unemployed during that month, and he would come within the realm of relief.”⁶

This problem deserves special and extended treatment, but in the interests of clear thinking it must be differentiated from the problem of unemployment.

Unemployment Trends.

Turning again to column 2 of Table 2, it will be observed that within the seventeen years to which the figures apply there have been very abrupt fluctuations in unemployment. The table begins with the year 1921, when Canada was in the grip of the post-war depression. The following two years, 1922 and 1923, show a noticeable shrinkage in the number unemployed. During 1924 and 1925, there was

⁶*Memorandum on the Volume of Unemployment Since 1921*, Ottawa: Dominion Bureau of Statistics, p. 1.

a reversal of trend and the number unemployed increased. In 1926, there was another reversal of trend, showing an appreciable drop in the figures for unemployment, and this trend continued throughout 1927 and 1928, but in 1929 unemployment was again on the increase. The increase in unemployment in 1929 is to be attributed in part to the rapid increase in the total number of wage-earners and in part to the unfavourable business conditions that began to develop towards the end of the year. The average number of unemployed in 1929 was 107,000 as compared with 60,000 in 1928, but the average number of wage-earners in 1929 was 192,000 greater than the average number of wage-earners in 1928. For the nine years, 1921 to 1929, there were, on the average, 114,000 persons unemployed, or 5.3 per cent. of the average number of wage-earners. For the four years, 1926 to 1929, the average number unemployed was 82,000, or 3.5 per cent. of the average number of wage-earners, and this average of 82,000 is for a period during which the total number of wage-earners increased by 488,000 or 23.6 per cent.

The increase in unemployment that began in 1929 continued at a dismaying rate until 1933. The most favourable month in 1929 was June, when there were 44,000 unemployed, or 1.7 per cent. of the total number of wage-earners; and the most unfavourable month of the depression was January, 1933, when there were 718,000 unemployed, or 30.4 per cent. This phenomenal rise in the number of

unemployed took place in spite of a decline of 239,000 in the total number of wage-earners, that is to say, in January, 1933, there were 913,000 fewer employed persons than in June, 1929. Of these, 674,000 were added to the 44,000 unemployed in June, 1929, to make the total of 718,000 for January, 1933, and 239,000 had left the ranks of wage-earners to become independent or no-pay workers.⁷

Unemployment began to decline after January, 1933, and, although there have been the monthly fluctuations, the trend has persisted through to the end of 1937. The most favourable month in 1937 was September, when the total number unemployed was 225,000 (493,000 less than in January, 1933), or 8.0 per cent. of the total number of wage-earners. The total number of wage-earners rose from 2,361,000 in January, 1933, to 2,812,000 in September, 1937; and the total number of wage-earners at work rose from 1,643,000 in January, 1933, to 2,587,000 in September, 1937. It can be seen that there were 944,000 more wage-earners employed in September, 1937, than in January, 1933. Of these, 493,000 were drawn from the ranks of the unemployed, and the remainder, 451,000, was made up of those who were returning from private or no-pay work and of others who were becoming wage-earners for the first time. The total number of wage-earners in September, 1937, was 8.2 per cent. higher than the total number of wage-earners in June, 1929, but the total number employed in Sep-

⁷Ignoring the number of those who may have emigrated.

tember, 1937, was only 1.2 per cent. higher than the total number employed in June, 1929. As there has been an increase in population in the more than eight years that have elapsed since 1929, the number of wage-earners at work will have to be considerably higher than the number at work in 1929 before unemployment can be reduced to the 1929 level.

Seasonal Unemployment.

The unemployment figures in Table 2 are yearly averages of monthly estimates, and this conceals variations from month to month. An examination of the monthly figures shows that, as a rule, there is a decided seasonal movement: that unemployment is greatest during the winter season and least during the late summer and early autumn. The severe winters of Canada place many restrictions upon economic activity: building operations from coast to coast are greatly curtailed; inland navigation simply ceases; many dock workers, including those at Montreal and Quebec, are thrown out of employment; and production of coal in the Nova Scotia mines falls abruptly when once the St. Lawrence river is ice-bound. On the other hand, operations in the woods, except in British Columbia, are confined almost entirely to the winter season, the ports of Halifax and Saint John are busiest when navigation on the St. Lawrence is closed, and coal production in the mines of Alberta is at its highest during the autumn and winter months. But, although there are some branches of economic activity that have

their busy season in the winter, they are not sufficient to offset the curtailment in other branches, or in the same branch of economic activity in other parts of the country, and there remains a net seasonal movement in which unemployment during the winter months is from two to two and one-half times as great as unemployment during the late summer and early autumn. An appreciation of the variations from month to month can be obtained from the following index of seasonal unemployment.

TABLE No 3
INDEX OF SEASONAL UNEMPLOYMENT*

January	141 7	July	63 1
February	141 0	August	62 2
March	124 9	September	57 1
April	109 0	October	74 1
May	97 5	November	118 9
June	79 7	December	130 6

*This index is based on monthly figures of Unemployment for the ten years 1921 to 1930. The figures are to be found in *The Trend of Unemployment since 1920—Inter-Censal and Post-Censal Estimates*, published by the Dominion Bureau of Statistics, Ottawa. The method followed is that of median link relatives. A correction of 7.61 has been made arithmetically.

Employment—By Economic Areas and Industrial Groups.

As the estimates of unemployment presented in Table 2 cannot be sub-divided to show the figures by geographical areas or by industrial groups, the most practical alternative is to use the figures and indices of employment compiled by the Dominion Bureau of Statistics. This alternative has one disadvantage in that, as already emphasized, unemployment does not decrease by the same amount that employment increases, nor increase by the same amount that employment decreases. The em-

ployment figures are based on monthly returns from firms with fifteen or more employees, and exclude returns from agriculture, fishing, trapping, finance, and personal and professional services, but the sample is sufficiently large and the range sufficiently extensive to make the figures of very great significance. In June, 1931, the number of employees covered by these returns was 940,875, or 44.8 per cent. of the 2,100,139 wage-earners reported as at work on the date of the 1931 census.

In compiling the index numbers of employment, allowance has been made for variations in the size of the sample covered by the original data. Therefore, in Table 4, which shows employment by economic areas, index numbers have been used in preference to the actual figures. The original base of the index is 1926, but, as the present purpose is to obtain an appreciation of the fluctuations since 1929, the figures have been changed to make 1929 equal to one hundred.

TABLE No. 4*
INDEX NUMBERS OF EMPLOYMENT BY
ECONOMIC AREAS
(1929 equals 100)

YEAR	MARITIME PROV- INCES	PROV- INCE OF QUEBEC	PROV- INCE OF ONTARIO	PRAIRIE PROV- INCES	PROV- INCE OF BRITISH COLUMBIA	CANADA
1929.....	100 0	100.0	100.0	100.0	100.0	100.0
1930.. ..	103 0	97 3	93.1	92.7	96 8	95 3
1931....	94 2	88.9	82.2	88.3	85.7	86.1
1932....	80.3	75 4	72.1	71.3	72.2	73.5
1933....	74.3	72 3	68.4	68.3	70 0	70.1
1934.. ..	87.9	80.9	82.3	71 3	81.1	80.7
1935.	89.7	84.1	83.9	75 4	87.6	83.5
1936.....	95.2	88.8	86.7	78.6	90.7	87.1
1937.....	105.4	101.8	96.1	78.6	95 8	95.9

*See *Annual Review of the Employment Situation in Canada*, Ottawa Dominion Bureau of Statistics.

The table shows that for the Dominion, and for each of the economic areas, employment was lowest in 1933. The Dominion figures were 29.9 per cent. below the 1929 level, and in only two areas, the Maritime Provinces and the Province of Quebec, was the decline smaller than that for the Dominion as a whole. Employment increased throughout 1934, 1935, 1936, and 1937, but in 1937, except for the Maritime Provinces and the Province of Quebec, was still appreciably below the 1929 level. As compared with 100 for 1929, the figures for 1937 are: Dominion of Canada, 95.9; Maritime Provinces, 105.4; Province of Quebec, 101.8; Ontario, 96.1; Prairie Provinces, 78.6; and British Columbia, 95.8.

These index numbers must not be interpreted as representing the relative prosperity of economic areas, or as necessarily measuring the degree of economic recovery in the various areas or in the Dominion as a whole. They take no account of short time, effected either through a shorter working day or a shorter working week, and no allowance is made for important differences that existed between economic areas in 1929, or for the relative importance in the various areas of those branches of economic endeavour to which the index does not apply. These *caveats* may seem superfluous to many, but they are entered here because attempts are often made to read into index numbers of employment many things that they could not mean and were never intended to mean.

Table No. 5 presents the index numbers of employment by industrial groups. As in Table 4, the

TABLE NO. 5*
INDEX NUMBERS OF EMPLOYMENT BY INDUSTRIAL GROUPS
(1929 equals 100)

YEAR	MANUFACTURING	LOGGING	MINING	COMMUNICATIONS	TRANSPORTATION	CONSTRUCTION	SERVICES	TRADE	ALL INDUSTRIES
1929.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930	93.1	85.8	98.1	99.3	95.4	100.1	101.0	101.2	95.3
1931.....	81.4	47.8	89.7	86.8	87.3	101.3	95.7	97.9	86.1
1932.....	72.1	33.8	82.6	77.5	77.2	66.3	87.2	92.0	73.5
1933.....	69.1	52.8	81.2	69.6	72.0	57.5	81.9	88.8	70.1
1934.....	77.0	99.1	92.3	65.6	73.2	84.2	88.3	93.4	80.7
1935.....	82.9	100.9	102.7	66.2	74.0	75.4	90.7	96.8	83.5
1936.....	88.3	110.3	113.7	67.2	76.7	68.0	95.5	101.0	87.1
1937.....	97.7	150.5	127.6	70.8	77.7	76.7	99.9	104.7	95.9

*Annual Review of the Employment Situation in Canada, Ottawa Dominion Bureau of Statistics

official index numbers have been changed to make 1929, instead of 1926, equal to one hundred.

Fluctuations by industrial groups have been much more pronounced than fluctuations by economic areas, as a comparison of Table 5 with Table 4 will show. All but two of the industrial groups reached their lowest levels of employment in 1933. The two exceptions are: logging, which reached its lowest level, 33.8, in 1932; and communications, which reached its lowest level, 65.6, in 1934. Of all the industrial groups, trading establishments show the least decline, falling only 11.2 per cent. below the 1929 level; and logging shows the greatest decline, falling 66.2 per cent. below the 1929 level. The degree of recovery also varies greatly, and only three groups, mining, logging, and trade, show higher employment in 1937 than in 1929. Most favoured of all is logging, for which the figures are 150.5 in 1937 against 100.0 in 1929, and the least favoured is communications, for which the figures are 70.8 in 1937 against 100.0 in 1929.

When the component parts of the index of employment for each of the main industrial groups are examined, it is found that fluctuations within groups are often more pronounced than fluctuations between groups. The index for the manufacturing industries—column 1 of Table 5—dropped from 100.0 in 1929 to as low as 69.1 in 1933. Within this group, the index for textile products had fallen only to 89.6 by 1933, and for pulp and paper products, only to 76.9; whereas the index for iron and steel

had fallen to 48.8, and for agricultural implements, to 27.2. Each of these sub-divisions of manufacturing reached its low point in 1933, with the exception of agricultural implements, for which the index was lowest in 1932, when it stood at 22.5. Throughout 1934, 1935, 1936, and 1937, recovery was evident, and, in 1937, the index of employment for the main group stood at 97.7; but the index for textile products stood at 117.2; for pulp and paper products, at 98.5; for iron and steel, at 84.2; and for agricultural implements, at only 62.0.

Disparities such as those between textile products and agricultural implements cannot pass unnoticed, although there is space here for but a brief comment. The high level of employment in the textile manufactories reflects the Canadian tariff policy, and the low level of employment in the agricultural implements manufactories reflects the plight of agriculture. The two may not be entirely unconnected. The tariffs increased employment in the textile industries by transferring to the Canadian producers a larger share of the domestic market, but in so far as this was accompanied by relatively higher prices, the tariffs tended to increase unemployment in other branches of production by decreasing the proportion of income that could be expended on other than textile products. No more need be said to make it clear that a measure that increases employment in one industry, or one branch of an industry, does not necessarily increase total employment.

The analysis could be pushed much farther, but sufficient has been said to show employment trends over the past eight years, to illustrate the variations within the general index, and to indicate the extent and usefulness of Canadian employment statistics. The general index and the index by economic areas and by industrial groups can be relied upon to reflect, fairly accurately, the trends of, and degrees of change in, employment; but when it is desired to use the index numbers pertaining to a smaller area, or to a sub-division of one of the main industrial groups, a thorough acquaintance with the special features of that particular index is advisable. For example, in some industries, such as coal mining, practically the full complement of staff is required when the plant is in operation. Reduced output manifests itself in frequent *shut-downs*, during which time nearly all the staff will be out of work, but few are actually struck from the pay-roll unless the plant is closed indefinitely.

As allowance for short time is not made in the index of employment, this index cannot represent the intensity of employment, and may present a very inaccurate picture when used to indicate the degree of activity in a single industry, or in a small group of industries. Furthermore, the index must measure changes from some fixed base, and normal employment at one period is almost certain to be abnormal employment at another. Under the following sub-heading, more attention will be paid to some of these difficulties.

Employment and Production.

The purpose of this sub-section is to point out certain relations between the fluctuations in employment and the fluctuations in production. The Dominion Bureau of Statistics publishes an index of the physical volume of business, included in which are indices of the physical volume of production in various branches of economic activity.⁸ The general index, that is, the index of the physical volume of business, is the best measurement available of business operations from month to month and from year to year; and the index of the physical volume of manufacturing production is the best measurement available of the output of manufacturing industries. The index of the physical volume of business may legitimately be compared with the index of employment in all industries; and the index of manufacturing production, with the index of employment in manufacturing industries.

The lowest yearly average for the index of the physical volume of business and for the index of the physical volume of manufacturing production was in 1932. The lowest yearly average for the index of employment in all industries and for the index of employment in manufacturing industries was in 1933. From 1932, for the indices of production, and from 1933, for the indices of employment, the movements were persistently upwards. Therefore, to observe changes from 1929 to the bottom of the

⁸*Monthly Index of the Physical Volume of Business in Canada in the post-war period from 1919 to 1932, and Monthly Review of Business Statistics, Ottawa*. Dominion Bureau of Statistics.

depression and from the bottom of the depression to 1937, it will be necessary to give the index numbers for only 1932, 1933, and 1937, with 1929 as equal to one hundred. The following table sets out the four indices for the years mentioned, and a fifth column has been added showing the percentage changes from 1929 in the estimated number of wage-earners employed.

TABLE No 6

EMPLOYMENT AND PRODUCTION INDICES

YEAR	PHYSICAL VOLUME OF MANUFACTURING PRODUCTION	EMPLOY- MENT IN MANUFACTURING INDUSTRIES	PHYSICAL VOLUME OF BUSINESS	EMPLOY- MENT IN ALL INDUSTRIES	ESTIMATED NUMBER OF WAGE- EARNERS EMPLOYED PER CENT
1929. .	100 0	100.0	100 0	100 0	100.0
1932. . .	62.9	72 1	62 7	73 5	74.5
1933 .	67.9	69 1	63.5	70.1	73.2
1937. .	104.9	97 7	97 8	95 9	96.9

A comparison of column 1 with column 2, and of column 3 with column 4, shows: First, that in 1932 both production indices were considerably lower than the corresponding employment indices; second, that by 1933, although both production indices had risen and both employment indices had continued to fall, there was still an appreciable spread, especially between the index of the physical volume of business and the index of employment in all industries; and, third, that by 1937 the index of the physical volume of business and the index of employment in all industries were nearly equal, but the index for manufacturing production was about 7.5 per cent. higher than the index of employment

in the manufacturing industries. A comparison of column 4 with column 5 shows that the changes in the estimated number of total wage-earners employed were little different from the changes in the index of employment in all industries.

Changes in the ratios of indices of production to corresponding indices of employment give a rough measurement of changes in output per worker; that is, the figures in column 1 divided by the corresponding figures in column 2 will give some idea of the changes in the effectiveness of the labour force for manufacturing industries, and the figures in column 3 divided by the corresponding figures in column 4, some idea of the changes in the effectiveness of the labour force for all branches of economic activity. The ratios are:

	RATIO OF THE INDEX OF MANUFACTURING PRO- DUCTION TO THE INDEX OF EMPLOYMENT IN MANU- FACTURING INDUSTRIES	RATIO OF THE INDEX OF THE PHYSICAL VOLUME OF BUSINESS TO THE INDEX OF EMPLOYMENT IN ALL INDUSTRIES
1929.....	100.0	100.0
1932.....	87.2	85.3
1933.....	98.3	90.6
1937.....	107.4	102.0

It can be seen at a glance that the output per worker fell considerably during the depression, but by 1937 had recovered all the lost ground and was slightly higher than in 1929.

The decrease in output per worker as a depression deepens, and the increase in output per worker as recovery proceeds, can be attributed mainly to two important factors: First, in many branches of production it is necessary, if the plant is to remain

open, to retain a certain number of employees irrespective of how far below capacity operations may fall, and that part of the staff may be considered as *overhead staff*. As production declines, the overhead staff is not utilized to its fullest capacity, and this is reflected in the smaller output per worker. On the other hand, as production increases, no additional help is required to assist in the work that is done by the overhead staff until the overhead staff is working at full capacity, and, as a result, employment moves up more slowly than production, and the output per worker rises. The employment figures in the census of manufacturing industries give the statistical evidence of the importance of the factor of overhead staff in that the figures for salaried employees fell less rapidly than did the figures for wage-earners. Second, short time and part time employment must also be responsible for some of the drop in output per worker as a depression deepens, and the return to full time employment must account, in part, for the increase in output per worker as recovery proceeds. The influences of overhead staff and of short time and part time employment are offset to an unknown degree by the following factors: As a depression deepens, the less efficient plants are the first to close down and the less efficient workers are the first to be discharged, and some employers may endeavour to lower the cost of production by increasing the length of the working day, or by the introduction of labour-saving devices. However, labour-saving

devices are not likely to be important until the upswing of the cycle, for it is only after profits have begun to increase that new and more efficient equipment is installed on any large scale.

The lag of employment figures behind production figures since recovery set in has often been attributed to the introduction of labour-saving devices, but, judging from the above ratios, there are no grounds for this belief. The output per worker in manufacturing industries was 7.4 per cent. higher in 1937 than in 1929, and the output per worker in all economic pursuits was 2.0 per cent. higher in 1937 than in 1929. Although these percentage increases are the resultants of many factors they give no support to the assumption that, in Canada, technical improvements have played an appreciable part in lessening the relative demand for labour over the past eight years.

The monthly indices of the physical volume of business and of manufacturing production were lowest in February, 1933. The monthly index of employment in all industries was at its lowest in April, 1933, and the monthly index of employment in manufacturing industries was lowest in January, 1933. In following the course of recovery, it is a common practice to make monthly comparisons from one of these three dates. A comparison of monthly figures is likely to show wider divergences than a comparison of annual figures, because errors that would be cancelled out in the course of a year may be very important in a single month, and, in

this particular analysis, the index of production is corrected for seasonal fluctuations, whereas the index of employment is not. With these qualifications in mind, it will be illuminating to compare the relations between production and employment from January, 1933, to January, 1937.⁹

From January, 1933, to January, 1937, the physical volume of business increased 71.7 per cent., employment in all industries 32.2 per cent., and output per worker 29.9 per cent. From January, 1933, to January, 1937, the physical volume of manufacturing production rose by 97.4 per cent., the number employed in manufacturing industries by 37.6 per cent., and the output per worker in manufacturing industries by 43.5 per cent. This increase in output per worker from the bottom of the depression to the present has often been attributed to the introduction of labour-saving devices, but that this is not so can be easily demonstrated by comparing the figures for January, 1937, with the figures for January, 1929. In January, 1937, the physical volume of business was 16.4 per cent.,

⁹This study was completed early in 1937, but before going to press an effort was made to bring the figures up to date. However, late in 1937, business in Canada suffered a setback. As it is not possible to analyse this recent down-swing in business, and as the above analysis has to do with the behaviour of employment and production at various stages in a single business cycle, the figures for January, 1937, were not replaced by those for January, 1938. In January, 1938, output per worker in all industries was 13.6 per cent. higher than in January, 1933, and output per worker in manufacturing industries was 19.6 per cent. higher. In January, 1938, output per worker in all industries was 23.0 per cent. lower than in January, 1929, and output per worker in manufacturing industries was 11.7 per cent. lower. These figures for 1938 indicate that production has declined much more rapidly than employment, a condition that seems always to be present in the down-swing of a business cycle.

employment in all industries 4.9 per cent., and output per worker 12.1 per cent., below the January, 1929, level. Manufacturing production was up 1.1 per cent., employment in manufacturing industries was down 4.6 per cent., and there was an increase of 6.0 per cent. in the output per worker engaged in manufacturing industries.

This examination of monthly data, like the examination of annual data, gives no support to the contention that the introduction of labour-saving devices has been presenting a serious problem in Canada.

If the increase in output per worker since 1933 were to be considered apart from the other data, there might be some excuse for the conclusion that it is to be attributed, mainly or solely, to technical changes in industry rather than to a return to a full working day and a full working week. Although it requires no profound knowledge of economics or statistics to make one aware of the inadequacy of such an analysis, those who argue that technological factors are chiefly responsible for the lag in employment behind production, and who base their argument upon statistical data, are guilty of this blunder.

There is an understandable impatience at the tardiness of recovery, but nothing is to be gained by placing blame where no blame is due. The index of employment in 1937 was 95.9, as compared with 100.0 in 1929, but, on the assumption that the same percentage of the population was available for em-

ployment, and that the same percentage of wage-earners would be unemployed, the index in 1937 would have had to be 110.9 to be comparable to 1929. Such a statement must be accepted with due reservations, but there is no dodging the fact that, although recovery is manifest in many branches of production, the country as a whole still falls far short of the 1929 level of employment and prosperity.

*Unemployment and Unemployment Relief.*¹⁰

Unemployment Relief will be discussed in succeeding chapters of this volume, and only those aspects of the problem that cannot be dissociated from unemployment will be considered here. There is much popular confusion of the number on relief with the number unemployed. In 1937, the estimated average number unemployed, according to the definition followed in this chapter, was 337,000, and, in the same year, the average number receiving direct relief was 957,085. The total number of those receiving direct relief includes, in addition to farmers and those available for employment, children under working age and wives of married men on relief; and, therefore, is certainly not a legitimate figure to be taken either as the total number unemployed or for comparison with the estimated number of persons unemployed. Of the 957,085

¹⁰I am deeply indebted to Mr. Harry Hereford, Commissioner, and Mr. J. K. Houston, Statistician, Dominion Unemployment Relief, Department of Labour, and to Mr. V. C. Phelan, Director of Registration, National Employment Commission, for supplying me with many important data and much valuable advice.

persons on relief in 1937, it is estimated that 187,204 were employables. It is this 187,204 employables on relief that may more legitimately be compared with the 337,000 unemployed, and some space will be devoted to elucidating the relations that exist between these two sets of figures; but, before proceeding with a consideration of these and other problems, it will be well for the reader to have before him a summary statement of the official returns of the number of persons on direct relief.

TABLE No 7
NUMBERS AFFORDED DIRECT RELIEF IN CANADA
(Average yearly figures)

YEAR	EXCLUSIVE OF DRIED-OUT AREAS		DRIED-OUT AREAS		TOTAL NUMBER ON DIRECT RELIEF
	HEADS OF FAMILIES	TOTAL NUMBER	HEADS OF FAMILIES	TOTAL NUMBER	
1932	150,595	759,321	14,693	74,667	833,988
1933	230,063	1,147,161	14,604	80,396	1,227,557
1934	214,243	979,488	31,899	156,442	1,135,848
1935	223,524	1,028,384	25,628	134,199	1,162,583
1936	211,214	1,020,736	24,582	128,527	1,149,263
1937	164,891	786,244	34,088	170,842	957,085

Those on relief in dried-out areas may be disregarded, because their problem, although a serious one, is not an integral part of the present discussion. In considering those on relief in other than dried-out areas, it had better be pointed out that the differences between the columns "Heads of Families" and "Total Number" in Table 7 cover dependants of heads of families and individual cases, both of which classes are shown in the official returns.

It would be desirable to know how many of those on direct relief in other than dried-out areas are also

enumerated among the unemployed, and how many are available for employment when business conditions have improved sufficiently to provide positions for them. To answer the first question, would require more data than are at present available. To the second question, a partial answer has been given by Mr. J. K. Houston, Statistician, Department of Labour, in *Dominion Unemployment Relief, An Appreciation of Relief as Related to Economic and Employment Tendencies in Canada*, Ottawa, 1936. The first step in the analysis was to exclude from the total figures those on farms, and the second step was to estimate how many of the remainder could be considered as employables. The estimates are based on detailed information in the hands of the Department of Labour and the Employment Commission, dating back to December, 1935;¹¹ and the test of employability is that the person should be sixteen years of age or over, not a wife,¹² not at school, and not suffering from any obvious mental or physical defects.¹³ Yearly averages of the monthly figures made available through Mr. Houston's study are set forth in the following table.

¹¹The registration of those on relief, begun by the Employment Commission, has, since the close of the Commission's work, been carried on by the National Registration Branch of the Department of Labour.

¹²*Wife* is defined as "the person in the family household normally performing the housekeeping duties for the family. The term 'wife' is used arbitrarily and does not necessarily refer to the married spouse of the head of the family, but refers also to a mother, a sister, a daughter, or other relative functioning as housewife."

Report on Registration, Ottawa: National Employment Commission, Part I, February, 1937, p. 2.

¹³See *ibid.*, pp. 2-3, and J. K. Houston, *Dominion Unemployment Relief*, op. cit., p. 2.

TABLE No 8
EMPLOYABLES AND DEPENDANTS ON DIRECT RELIEF

YEAR	EMPLOY- ABLE HEADS OF FAMILIES	EMPLOY- ABLE DE- PEND- ANTS	EMPLOY- ABLE INDI- VIDUAL CASES	TOTAL NUMBER OF EM- PLOYABLE PERSONS	WIVES AND CHILDREN OF EM- PLOYABLE HEADS OF FAMILIES	TOTAL NUMBER OF EMPLOY- ABLES AND THEIR DE- PENDANTS
1932..	121,491	60,745	30,373	212,610	372,067	584,677
1933..	183,546	91,773	45,886	321,205	562,109	883,314
1934..	156,718	78,359	39,179	274,256	479,950	754,206
1935..	164,541	82,271	41,135	287,947	503,908	791,856
1936..	161,576	80,787	40,394	282,757	494,825	777,583
1937..	112,696	45,873	28,635	187,204	340,612	527,816

The total number of employable persons on relief in 1937 was 187,204, of which heads of families and individual cases made up 141,331. The first of these figures constitutes the maximum, and the second the minimum, number of those persons on relief rolls, except on farms, for whom employment would have had to be found to remove from the relief rolls all persons except those on farms and those who were unemployable or only partially employable and their dependants. The difference between the maximum and the minimum is the number of employable dependants, and the reason for fixing the extremes at these two points is that the entire family, including any employable dependants, would, in many instances, be removed from the relief rolls should gainful employment be found by the head of the family or by one of the employable dependants.¹⁴ Even if the difficulty of ascer-

¹⁴The employable dependants shown in Table No. 8 are not solely dependants of employable heads of families, and the total number is slightly less than the dependants over sixteen years of age of the employable heads of families (45,873 as against 48,173). Employable dependants may be dependants of employable heads of families, of

(Continued on next page.)

taining the number for whom it would be necessary to find employment is ignored, there is very little information available to indicate the branches of employment in which these people might be advantageously absorbed. Included in the total number of employables are: professional people, business men who have gone bankrupt, farmers who have been dispossessed, and those who have never been gainfully employed, in addition to the unemployed as already defined.

There will be a certain curiosity regarding the difficulties of statistical measurement, but interest centres on an explanation of why the number on relief has not been reduced more rapidly. To this question, as to many others raised in the present chapter, the answer, in view of the limitations of the data, must be tentative and vague. The number on direct relief was highest in April, 1933, the same date on which the index of employment was lowest.¹⁵ Unemployment was highest in January,

¹⁵Unadjusted for seasonal fluctuations

partially employable heads of families, or of unemployable heads of families, and when one of these employable dependants finds work, very often the entire family is taken off the relief rolls. Because of these circumstances, had the 141,331 employable heads of families and individual cases shown for 1937 been employed, the total number taken off the relief rolls might possibly have been slightly greater than the total of 527,816 shown in the table, and had the total number of employable persons shown for 1937, 187,204, found work, the number removed from the relief rolls would almost certainly have been considerably greater than 527,816. In 1937, the average number on relief, according to the figures of the National Registration Branch, was 965,907; the average number on relief, except on farms, was 659,956; and the average number of employable individual persons and heads of families and dependants on relief was 530,116. The difference between this figure of 530,116 and that of 527,816 shown in Table No. 8 is accounted for by the omission from the larger total of the employable dependants, 45,873, and the inclusion of the dependants over sixteen years of age, 48,173.

1933. Since the spring of 1933, there has been considerable improvement in both relief and unemployment figures, but in neither case has it been commensurate with the improvement in employment.

When the figures for January, 1938, are compared with those for January, 1933, it is found that in the five years the number of employables on relief fell by 53.4 per cent.;¹⁶ the number of unemployed, by 43.9 per cent.; the number on relief in other than dried-out areas, by 37.5 per cent.; and the total number on relief, including the dried-out areas, by 24.6 per cent. For the same period, employment increased by 43.3 per cent. These few percentages make it clear that, although the decline in the number on relief lagged behind the decline in the number unemployed, the differences, except for the grand total of those on relief, were not startling. The total of those on relief has been kept high by the larger number on the relief rolls in the drought areas of the Prairie Provinces in 1937 and 1938 than in 1933. Had the comparison been made between the figures for January, 1938, and the lowest figures in 1933, instead of for January, 1933, the relief figures would have made a more favourable showing.

The parallel movements of relief figures and unemployment figures, even as indicated by the few

¹⁶This percentage decrease is exaggerated to an unknown amount, because the figures for 1933 are based upon a classification which divided those on relief into two groups *Employables* and *Unemployables*, whereas the figures for 1938 are based upon a classification which divides those on relief into three groups: *Employables*, *Partially Employables*, and *Unemployables*, and some who in 1938 were classified as *Partially Employables* would have been classified as *Employables* in 1933.

data just given, make it clear that the two problems overlap, and that the considerations taken into account when discussing the slowness with which unemployment figures have been reduced apply in a large measure to the relief figures; but it would be considered an evasion of the issue were the discussion to stop at this point, for there are some special features concerning relief figures that need to be at least suggested.

Figures of the number on relief give no indication of the length of time for which relief is granted, for a person receiving relief for one day is counted the same as one who receives relief for the entire month. There are some reasons for the belief that the average period for which relief is granted to urban recipients¹⁷ has been decreasing, but there are no means at present of measuring the extent to which this movement is taking place. If the period for which relief payments are made is being shortened, the tendency ought to be reflected in the average monthly payments per person. The average payment per person was \$6.32 in January, 1938, as compared with \$6.31 in January, 1937; \$6.03 in January, 1936; \$6.57 in January, 1935; \$5.56 in January, 1934; and \$4.29 in January, 1933. But average payments per person are affected by changes in the scale of relief as well as by the length of time for which relief is granted, and a decrease in the average period for which payments are made to

¹⁷Urban relief applies to all direct relief other than that given to persons living on and operating farms. See *Report on Registration*, op. cit., p. 2.

urban recipients may be more than offset by an increase in the average period for which payments are made to farm recipients.

As depressed conditions in certain industries or certain areas drag on, more and more persons exhaust their savings and are forced to apply for relief. These new applicants will tend to offset, in whole or in part, those whose names have been removed from the relief rolls because they have found employment.

It seems to be generally agreed that there exists a serious employment problem for persons between sixty and seventy years of age, and that a large proportion of those on relief are in the higher age groups. British Columbia states in a report to the Department of Labour that forty per cent. of its relief recipients are fifty years of age and over. Studies in Great Britain, although giving no support to the contention that older persons are more likely to be discharged than younger persons, do show that the chances that older persons will be re-employed are much less than the chances that younger persons will be re-employed.¹⁸ The entire problem of the employment of elderly people needs to be seriously studied, and, if a start could be made with data pertaining to relief cases, good might still come out of evil. It would be most regrettable if, through failure to understand and appreciate the problem, unemployment relief should be converted into premature old age pensions.

¹⁸See Sir William Beveridge, *Unemployment, A Problem of Industry*, London: Longmans, Green & Company, 1931, pp. 120-1 and 390.

It is asserted that employers are prejudiced against hiring those who have been on relief; that many on relief are not looking for work; that some, working part time, are reported as employed, and during the same month are reported as on relief; and that low wages have made it necessary for some to draw unemployment relief while working full time. Some evidence can be produced in support of each of these assertions. Possibly, too, many on relief are on the border line of the unemployable class. However, the main difficulty seems to be that recovery has not yet proceeded far enough to absorb the available working force of the country, and, until it does, considering the long period of depression through which the country has been passing, there will remain a relief problem.

Unemployment and Prices.

The relations between falling prices and unemployment are not difficult to grasp. If the selling price of a commodity is falling rapidly, and if costs are not being reduced at the same rate, the returns from sales will soon fail to cover the cash outlay, and production will have to be curtailed. Curtailment of production will be accompanied by unemployment. Even if the costs are reduced at a sufficiently rapid rate to keep the plant operating at full capacity, those connected with the industry will suffer a reduction of income, and, consequently, of their capacity to purchase other commodities and services. If the producers of these other commodi-

ties and services are unable to reduce their costs at about the same rate, they will be obliged to reduce their output, because the market will be unable to absorb, at a price sufficiently high to cover costs, all that they are capable of producing. In some branches of production, costs have little flexibility, and falling prices are soon reflected in reduced output and unemployment. In other industries, such as agriculture, production falls little, if at all, even in the face of very severe price declines, but the reduced purchasing power of those connected with such industries will be reflected in unemployment in other branches of production. When a serious price decline gets under way in a complex economic system where adjustments are left mainly to the operations of the market, the results are almost certain to become cumulative, with wide divergences in the rates at which the various prices fall, and with increasing unemployment. It seems, therefore, that unemployment is caused less by a fall in prices than by a divergence in the rate at which the different prices fall, and before employment and production can regain a level comparable to that which existed when the price decline set in, it will be necessary for price spreads to be greatly reduced. A reduction in price spreads is usually accomplished when prices are rising, the prices that had fallen farthest rising fastest.

In Canada, prices fell rapidly, with increasing divergences, from 1929 until the spring of 1933. In the spring of 1933, prices commenced to rise and to

converge. The simplest way to obtain an appreciation of these divergences and convergences is to consider the component parts of some index as percentages of the main index, and to note how the percentages moved away from one hundred and then moved back towards one hundred. The convergence of prices since February, 1933, is shown in the following percentages that various sub-indices constitute of the index of wholesale prices:

	FEBRU- ARY, 1933	DECEM- BER, 1933	DECEM- BER, 1934	DECEM- BER, 1935	DECEM- BER, 1936	DECEM- BER, 1937
All Commodities ..	100 0	100 0	100.0	100.0	100 0	100.0
Producers' Goods ...	91 5	93.2	96 1	95.6	100 9	100 0
Consumers' Goods .	108.2	106.2	102.5	102 3	96.5	95.6
Raw and Partly Manu- factured Materials .	79 7	85.4	90 4	92.7	99.5	97.7
Fully and Chiefly Man- ufactured Materials .	105.2	104 3	102 0	100.4	97 0	97 0
Building Materials . .	117.6	116 8	114.5	114.6	110.4	110.9
Canadian Farm Prod- ucts	67 6	77 7	86.6	90.1	103.4	101 8

The above presentation, although serving admirably the one purpose, obscures many other important price relations, and nearly all the peculiar features of the various index numbers. The first step in an endeavour to see further into the problem of prices will be to set forth a few index numbers, side by side, as in Table No. 9.

Wholesale prices, it will be seen, fell much faster and much farther than retail prices, and, after recovery set in, rose more rapidly. The spread between the two indices was greatest in 1931. The extra spread between retail and wholesale prices during the depression does not necessarily mean

TABLE No 9
INDEX NUMBERS OF PRICES
(1929 equals 100)

YEAR	WHOLESALE PRICES	RETAIL PRICES	WAGE RATES	COST OF LIVING	CANADIAN FARM PRODUCTS
1929.....	100 0	100 0	100 0	100 0	100.0
1930.....	90 6	99 3	101.2	94 3	81.6
1931.....	75 4	89 7	96 7	84 4	55 8
1932.....	69.7	81 5	92.0	78 1	48.0
1933.....	70.2	77.7	87 3	76 2	50 6
1934.....	74.9	78 7	85.7	77 2	58.5
1935.....	75.4	79.3	88.4	77 6	62.9
1936.....	78 0	80 7	88.6	79.1	69.5
1937.....	88 4	83.2	93.8	81.8	86 3

that the retailers made large profits—although in some instances this may have been true—for the volume of business was greatly diminished, and retail costs were not, speaking generally, reduced at the same rate or to the same degree as were prices.

Wage rates fell less rapidly than either retail or wholesale prices, and, as the retailer's costs are made up very largely of wages and salaries, this may account for the increasing spread during the depression between retail prices and wholesale prices. The index of wage rates shows the movement of average wage rates and gives no indication whatever of the extremes that enter into those averages.

The index of the cost of living fell faster and farther than the index of retail prices, but not so fast nor so far as the index of wholesale prices. The index of the cost of living is based on what has to be paid for a given budget. The prices of the various items that enter into the budget are the retail prices, but the index of retail prices is much more

extensive than, and includes many items not included in, the budget, hence the differences in the two indices.

The index of wage rates has been placed between the index of retail prices and the index of the cost of living for the purpose of emphasizing the changing relations between wage rates and the prices of commodities that the wage-earner purchases. As wage rates fell less rapidly than either retail prices or the cost of living, the commodities the wage-earner had to buy cost him relatively less, per unit of wages received, than they had cost him in 1929 or earlier. The advantages that have accrued to the wage-earner, per unit of wages received: first, from the greater decline in retail prices than in wage rates; and, second, from the greater decline in the average cost of living than in wage rates, are shown for each year as compared with 1929 when the index numbers of wage rates are divided by the index numbers of retail prices and by the index numbers of the cost of living for corresponding years.

To avoid any misunderstanding, it had better be emphasized that these figures apply only to wage

YEAR	INDEX OF WAGE RATES DIVIDED BY INDEX OF RETAIL PRICES	INDEX OF WAGE RATES DIVIDED BY INDEX OF COST OF LIVING
1929	100.0	100.0
1930	101.9	107.3
1931	107.8	114.6
1932	112.9	117.8
1933	112.4	114.6
1934	108.9	111.0
1935	111.5	113.9
1936	109.8	112.0
1937	112.7	114.6

rates, and that for a wage-earner to receive the full benefit, his wages would have had to remain as high as the index of wage rates, and he would have had to be employed to the same extent in each succeeding year as in 1929.

When wage rates are related to wholesale prices in a manner similar to that in which they have been related to retail prices and to the cost of living, one aspect of the producer's problem becomes apparent. The wage-earner lost heavily through unemployment and short time, but the producer faced an acute problem of adjustment, because wage rates in certain trades fell less rapidly than the wholesale prices in the industries concerned, with the result that the wages-bill, an important element of cost in most branches of production, especially manufacturing production, tended to absorb a larger proportion of the selling price of commodities after 1929 than it had before the depression. This is merely a statement of relations between wage rates and commodity prices, and it is not intended to imply that a different policy with respect to wage rates ought to have been followed.

The index of the prices of Canadian farm products shown in the last column of the table speaks eloquently of the lamentable plight of the farmer; but the index does not tell the whole story, for many of the prices upon which it is based are prices obtained at important marketing centres, and these prices fell less, because of fixed charges, such as freight rates, than did the prices received by the farmer. The very

low level to which the prices of farm products fell helped materially to relieve the burden of the depression in industrial centres, but it also aggravated the situation in industrial centres, because the farmer was forced to curtail his purchases. It will be recalled that the employment index in the agricultural implement manufacturing industry dropped to 22.5 for 1932, which shows at least one important relation between unemployment and prices.

Prices are end products of the economic process, and, from them, it is possible to trace back the multifarious forces that mould the market. But the limitations of space make it necessary to drop this fascinating subject, and to turn to a consideration of international trade and its significance in the economy of Canada and in the problem of unemployment.

Unemployment as related to Export Trade, Regionalism, and Rigidities.

In a consideration of any Canadian economic problem of major importance, the quest is certain to lead eventually to and along the trade routes over which Canadian exports pass. Canada occupies a minor position in the commerce of the world, but world commerce is vital to Canada. Canada exports from one-quarter to one-third of her total material production, but these exports make up only from 3.2 per cent. to 4.5 per cent. of total world exports.

The importance of export trade to the national economy is measured in various ways, and it rarely

matters what measurement is used so long as its significance is fully appreciated. Sometimes the value of commodity exports is shown as a percentage of the national income, or as a percentage of the net value of material production, or as a percentage of the net value of movable goods produced, and sometimes the total value of exports, including services, is shown as a percentage of the national income. Each of these four sets of percentages is presented in Table No. 10, along with the original figures from which they are derived.

The first column of percentages is the least satisfactory of the four measurements that have been given. To show commodity exports as a percentage of the national income understates the dependence of the national economy upon outside markets, because commodity exports do not include the money value of services rendered by the citizens of this country to the citizens of other countries, whereas the money value of services rendered by the citizens of this country is included in the national income. The final column, by considering total exports, including services, as a percentage of the national income, corrects this defect, and is, in many respects, the most satisfactory of the measurements that have been given. The second column of percentages shows the proportions that are exported of the net value of commodities produced in this country. Some commodities—more accurately, form utilities—such as houses and highways, obviously cannot be exported, and the third column of

TABLE No. 10
EXPORT TRADE, AND PRODUCTION
(000,000's omitted)

YEAR	AVAILABLE* NATIONAL INCOME	NET VALUE OF PRODUC- TION (excluding Services)	NET VALUE† OF MOVABLE GOODS PRODUCED	EXPORTS‡— COMMODI- TIES	EXPORTS— COMMODI- TIES AND SERVICES
1926 ..	\$4,587	\$3,640	\$3,320	\$1,254	\$1,609
1927 ..	4,894	3,901	3,544	1,234	1,607
1928...	5,308	4,122	3,721	1,368	1,780
1929...	5,445	3,946	3,460	1,120	1,643
1930...	4,771	3,335	2,953	799	1,293
1931 ..	3,860	2,572	2,296	600	975
1932...	3,109	2,105	1,962	528	820
1933	2,974	2,047	1,934	666	782
1934..	3,290	2,422	2,278	757	959
1935...	3,466	2,580	2,409	849	1,128
1936...	3,716			1,069	1,392

YEAR	PER CENT. OF EXPORTS— COMMODI- TIES—To AVAILABLE NATIONAL INCOME	PER CENT. OF EXPORTS— COMMODI- TIES—To NET VALUE OF PRODUCTION	PER CENT. OF EXPORTS— COMMODI- TIES—To NET VALUE OF MOVABLE GOODS PRODUCED	PER CENT. OF EXPORTS— COMMODI- TIES AND SERVICES—To AVAILABLE NATIONAL INCOME
1926...	27.3	34.5	37.8	35.1
1927 ..	25.2 ..	31.6	34.8	32.8
1928 ..	25.8 ..	33.2 ..	36.8	33.5
1929...	20.6 ..	28.4 ..	32.4	30.2
1930 ..	16.7 ...	24.0	27.1	27.1
1931..	15.5	23.3	26.1	25.3
1932 ..	17.0	25.1	26.9	26.4
1933..	22.4	32.5	34.4	26.3
1934 ..	23.0	31.3 ..	33.2 ..	29.1
1935.....	24.5	32.9 ..	35.2	32.9
1936.....	28.8 .....	.....	.....	38.3

*I am indebted for these estimates to Professor D. C. MacGregor, of the University of Toronto, and to Mr. D. H. Gibson, of the Bank of Nova Scotia, Toronto. For their discussion of National Income, see *The Bank of Nova Scotia Monthly Review*, November and December, 1935, and May, 1937.

†The net value of Movable Goods produced is obtained by subtracting from the net value of production the values given under *Construction and Custom and Repairs*.

‡Commodity exports for each year are for the fiscal year ending March 31st of the year following that which is indicated.

percentages has made allowance for such items, and shows the proportions exported of those commodities that are normally movable, and, therefore, physically capable of being shipped out of the country. Columns 2 and 3 give percentages that are slightly high, because freight services are not included in the net value of production or of movable goods produced, but freight charges to ports of exit are included in the values of exports. Despite this limitation, the percentages in these two columns are very useful guides, and have the further merit of being accessible to anyone, because all the figures from which they are derived are to be found in the *Canada Year Book*. It need scarcely be pointed out that the last three columns of percentages are in remarkably close agreement.

That there is a close correlation between changes in the value of commodity exports on the one hand and changes in the national income and in the net value of production on the other, is reasonably well demonstrated in the above table; but the declining percentages make it clear that, during the depression, the national income and the net value of production fell less rapidly than the value of commodity exports. Large expenditures on the part of governments for public relief works and for direct relief have helped to sustain the volume of internal business; certain branches of production are insulated to some degree from the influences of the export trade; and commodities and services that are generally exchanged internationally may pos-

sibly be short-circuited during periods of depression and exchanged on the internal market.

From eighty-five per cent. to ninety per cent. of Canada's exports of commodities are made up of products from the farm, the forest, the fishery, and the mine. Exports of manufactures are small, both relatively and absolutely, and, when not by-products, are usually fostered by imperial preferences. Canadian manufacturers, apart from those engaged in processing primary products, manufacture chiefly for the home market; and primary producers—farmers, fishermen, lumbermen, and miners—though deriving a large part of their income from the sale of commodities abroad, spend most of their income in the purchase of goods and services that are produced in Canada. The primary commodities exported belong to those classes of goods that are subject to wide price fluctuations. When primary producers suffer a loss of income because of conditions in outside markets, they are unable to purchase as much as formerly, and the reduction in their purchases leads to depressed conditions and unemployment in other Canadian industries.

To make these interrelations more vivid, consider the western grain grower. Most of the commodities that he produces are either sold on the international market or the prices of them are governed by prices on the international market. After 1928, owing partly to lower crop yields and partly to lower prices, his income fell abruptly, and this made it impossible for him to purchase the

usual amount of equipment, of household goods, and of wearing apparel. Most of the commodities that the western grain grower customarily purchases are produced in Canadian plants, and, when he was obliged to curtail his purchases, these plants were obliged to curtail operations. The effects of this process are most apparent in the agricultural implement manufacturing industry, to which reference has already been made several times, where the index of employment dropped from 100.0 in 1929 to 22.5 in 1932.

The western grain grower has been used in this illustration not because his case is especially different from that of the fisherman in Nova Scotia, the asbestos mine-worker in Quebec, or the lumberman in British Columbia, but because the mere mention of the western grain grower calls immediately to mind regional differences within Canada, and the difficulties that arise when a single industry dominates a large geographical area. The agricultural industry that dominates the Prairie Provinces is subject to wide fluctuations in yields and in prices, and when anything goes wrong with that agricultural industry the whole area suffers. The Prairie Provinces, of all the provincial jurisdictions, are most subject to the vagaries of a single industry, but within each major economic region of the Dominion there are large and often comparatively isolated areas where similar circumstances prevail.

It is not possible to examine this problem very closely, but its importance during the depression is

indicated by changes in the proportions of the net value of production contributed by the Prairie Provinces. The figures for the net value of production must never be confused with the national income. Figures for the national income by provinces or territorial divisions are not available and would be very difficult to estimate;¹⁹ but figures for the net value of production give the money value of commodities produced, and which may be consumed locally, or shipped to other parts of the Dominion or exported in exchange for other commodities or for services. That changes in the proportions of the net value of production contributed by the Prairie Provinces may be examined and compared with changes in the proportions contributed by other parts of the Dominion, the following table is presented, giving for the ten years, 1926 to 1935, the percentages of the net value of production contributed by the Maritime Provinces, Quebec, Ontario, the Prairie Provinces, Saskatchewan, and British Columbia. Percentages for Saskatchewan, although included with those for Manitoba and Alberta in the Prairie Provinces, are given separately because Saskatchewan was hardest hit of any of the provinces of Canada.

In the three years, 1926 to 1928, the Prairie Provinces contributed from 23.4 per cent. to 25.1 per cent. of the total net value of production. This

¹⁹For the difficulties involved in estimating the National Income by provinces see: D. C. MacGregor, "Income and Expenditure in Alberta: A Revision", in the *Canadian Journal of Economics and Political Science*, November, 1936.

percentage fell to 16.8 for 1929, and to 16.3 for 1931, rose to 17.8 for 1932, and stood at 16.4 for 1935. In contrast, the figures for the Maritime Provinces and for Ontario show each of these two areas in a relatively stronger position from 1930 onwards than in

TABLE No. 11

DISTRIBUTION OF THE TOTAL NET VALUE OF
PRODUCTION BY PROVINCES OR GROUPS OF PROVINCES

YEAR	TOTAL NET VALUE OF PRODUCTION (000,000's omitted)	PERCENTAGES CONTRIBUTED BY					
		MARI- TIME PROV- INCES	PROV- INCE OF QUEBEC	PROV- INCE OF ONTARIO	PRAIRIE PROV- INCES	PROV- INCE OF SASKAT- CHEWAN	PROV- INCE OF BRITISH COLUMBIA
1926	\$3,640	6.6	23.8	38.0	23.4	9.7	8.0
1927	3,901	6.3	23.6	37.3	25.1	10.4	7.6
1928	4,122	6.1	23.8	38.1	24.0	10.0	7.8
1929	3,946	6.1	26.6	42.0	16.8	6.1	8.4
1930	3,335	6.0	26.4	42.2	17.1	5.6	8.2
1931...	2,572	6.5	26.9	42.5	16.3	4.3	7.4
1932...	2,105	6.4	26.5	42.0	17.8	5.6	7.1
1933...	2,047	6.5	25.7	43.1	16.8	4.9	7.7
1934...	2,422	6.7	25.6	42.9	17.0	4.9	7.9
1935 ..	2,580	6.6	25.1	43.6	16.4	5.5	8.9

the prosperous years of 1928 and 1929. The Province of Quebec lost ground after 1931, but not sufficiently to carry the figures down to the 1928 level. British Columbia's position was weakened slightly for a few years after 1930, and then strengthened materially. When the figures for Saskatchewan, instead of those for the three Prairie Provinces, are used as a basis of comparison, the scene is even more dismal. In the three years, 1926 to 1928, Saskatchewan contributed from 9.7 per cent. to 10.4 per cent. of the net value of production in Canada. This percentage fell to 6.1 for 1929, and to

4.3 for 1931, rose to 5.6 for 1932, but settled back to 4.9 for 1933 and 1934, and stood at 5.5 for 1935.

These percentage changes ought always to be read with the absolute figures in mind. In 1933, the total net value of production was 49.66 per cent. of the 1928 value. For the territorial sub-divisions shown in the above table, the 1933 figures as percentages of the 1928 figures are as follows:

Maritime Provinces	52.4
Province of Quebec	53.7
Province of Ontario	56.2
Prairie Provinces.. . . .	34.9
Province of Saskatchewan.....	24.5
Province of British Columbia.....	48.9

Taking the figures of Saskatchewan and Ontario for illustration purposes, and assuming that 1928 was a normal year for both provinces, then the ratio of the 1933 percentage for Saskatchewan to the 1933 percentage for Ontario (24.5: 56.2) shows Saskatchewan to have lost 56.4 per cent. more heavily than Ontario. No degree of censure or blame can be attached either to Ontario for having fared better than Saskatchewan, or to Saskatchewan for having fared less well than Ontario. There is no intention, desire, or justification, to argue from these data the cause of any one province or group of provinces. The intention is merely to bring out what is generally well recognized, that some parts of the Dominion have suffered more severely than other parts, and to connect this with the regional distribution of industries and with the vulnerability of those industries producing for the export market. With these

aspects of the Canadian scene in mind, other important features can be filled in without too much regard to detail.

The location of primary industries is determined by the distribution of natural resources; and the uneven distribution of the natural resources has left many large areas dependent upon or dominated by a single primary industry. Economic, geographical, and, possibly, political factors have tended to bring about a concentration of manufacturing industries in the provinces of Ontario and Quebec. The main populous areas are separated one from another by considerable stretches of sparsely populated territory. The dominance of primary industries, the importance of the export trade, the "magnificent distances" of which statesmen and politicians are wont to boast, and the peculiar geographical and industrial features of many regions, have given rise to social, political, and economic institutions that often bear distinctive features from region to region yet form an integral part of the institutions of the Dominion. These institutions change slowly, even under considerable pressure, and impart to the Canadian economy as a whole many rigidities that strike far deeper than such rigidities as prices, and as interest and wage rates.²⁰

Despite regional differences, the various parts of the Canadian economy are closely interrelated; and, despite the considerable distances by which

²⁰For a discussion of rigidities in the Canadian economy, see, *The Canadian Economy and Its Problems*, ed. H. A. Innis and A. F. W. Plumptre, Toronto: Canadian Institute of International Affairs, 1934.

they are often separated, the many industries of Canada are fundamentally interdependent. When an export trade is depressed, some who are producing for the domestic market are certain to suffer, although the export trade may emanate from one extreme end of Canada and the producers for the domestic market may be situated at the other. The cause of the suffering among one group of workers may be obfuscated by the distance that separates them from the other; and, because the source of the trouble is not fully appreciated, mistaken remedial measures may be adopted. To be more explicit, consider again the relations between the industrial east and the agricultural west. Manufacturing industries have grown up in Ontario and Quebec depending upon the market in the Prairie Provinces as an outlet for a large part of their production; but the Prairie Provinces are unable to purchase so much as formerly, and there is unemployment in the industrial centres of the east. If the workers who were formerly engaged in producing for the western market are to be re-employed in their former occupations, either the income of Western Canada must be increased or the prices of the manufactured commodities must be lowered. The lowering of prices on a scale sufficient to meet the new conditions would involve, among other things, a very drastic reduction in wage rates. If an attempt is made to re-employ these workers in industries that are not dependent upon the western market, even ignoring the long-run consequences of such a

policy, the transference on any large scale could be made only at a very heavy cost—a cost that would be reflected in greatly reduced wages.

The burden of these comments is that a policy designed to remedy or prevent unemployment must be nation-wide in scope. It must make allowance for the special circumstances affecting the export trades, for regional differences, and for the inflexible aspects of the Canadian economy. It will have to be sufficiently flexible to be applied locally, but all plans must be thoroughly integrated if sound efforts at one point are not to be offset by unsound efforts at another point. The purview of this study does not cover a consideration of ways and means of remedying or preventing unemployment, but these few generalizations obtrude themselves and refuse to be passed by unnoticed.

II

UNEMPLOYMENT AID (DIRECT RELIEF)^{1,2}

DOROTHY KING

1. INTRODUCTORY

A STUDY of available data related to unemployment in Canada over a series of years prior to 1930 suggests that in "good times" a constant percentage of from 4 per cent. to 5 per cent. of our population is out of work, while seasonal unemployment during the winter months raises this to about 10 per cent.³ This represents a "normal" state of affairs. When the pressing relief needs of increasing numbers of unemployed workers during one of our periodic depressions become too great to be dealt with by the ordinary resources of our public relief departments and by the relief budgets of our volunteer social agencies, we are aware that we have entered upon what we persist in calling an "emergency". It seems to have been necessary for the present "emergency" to extend into its eighth year for Canada to

¹In this chapter the situation is described as it existed at the middle of 1937. It has not changed a great deal since that time. In a few instances information which was obtained later has been added.

²In accordance with the recommendation of the National Employment Commission (N.E.C. Information Service, July, 1937), where feasible in this Chapter, the term *Aid* has been substituted for the term *Relief* in discussing that type of help to which the Dominion Government contributes.

³See M. C. MacLean, "Memorandum on the Volume of Unemployment Since 1921 and the Trend of Unemployment Since 1920", *Inter-Censal and Post-Censal Estimates*, Ottawa, Dominion Bureau of Statistics.

accept it as "a challenge to the political intelligence of our generation".⁴

The task of administering unemployment aid in Canada is highly complicated. We are a nation of less than ten and one-half millions, composed of two distinct races, languages and cultures (into which our not inconsiderable newer immigration is being assimilated at varying rates), spread over a continent which, for population purposes, may be considered as being roughly 3,000 miles long by 300 miles broad, and divided by geographic barriers into four distinct sections, each with its own very characteristic differences and difficulties. Canada is young, and it is practically only since the turn of the century, and mainly since the war, that she has needed to be greatly concerned with measures of social assistance for her people. Relief of destitution and distress has been, from the earliest times of her history, a local responsibility which in each province has tended to be discharged in varying ways. Influenced by the English Poor Laws, the Maritimes early developed a poor law system on a parish or municipal basis, giving custodial care, generally on a county basis, in the poor house, with occasional "outdoor relief" at the discretion of the Commissioners of the Poor or by local voluntary effort. Quebec has traditionally held that relief to those in distress is the work of the Church and of private charity. Ontario, while perpetuating the pattern of institutional care in County Houses of

⁴Hon. Norman McL. Rogers, Minister of Labour (House of Commons, Canada, March 30, 1936).

Refuge, with inmates maintained at local cost, has gradually developed provisions for outdoor relief of destitution, relying on supplementary aid from voluntary societies, while the Prairie Provinces care for the destitute by centralized provincial votes for unorganized territories, and municipal relief in organized units, with practically no institutional care. Relief of the indigent in British Columbia, with its concentration of population in the southern triangle of the mainland and Victoria, is, outside the larger organized municipalities, a function of the provincial government, under the special Destitute Poor and Sick Vote. As the country has grown, it has inevitably developed an increasing burden of social dependency, apart from that caused by unemployment. Social consciousness has led the provinces and municipalities readily to adopt measures of social welfare (dealing with child care and protection, widows with dependent children, the handicapped, the sick, the indigent, etc.) with small consideration of means of administration or co-ordination of financial costs. So, with but little of that experience and those resources of means and of personnel which make for effective organization, we faced in 1930 a problem which has taxed to the utmost the resources of richer, better established countries.

Yet there had not been wanting signs that we were headed for the present crisis. Canada has faced other depressions. Perhaps during the incredibly rapid development she underwent in the decades before the war, these called for no special

plans in relation to relief, but by the end of 1912 the great western "boom" had broken and the industrial situation in the east looked gloomy. Relief, including camps for homeless men, was instituted in various towns and cities, but when recruiting offices became employment agencies and the factories speeded up to meet war demands, the depression was "cured". Recommendations that the subject of unemployment be studied and plans developed to deal with it were forgotten in the war anxiety and the accompanying wave of prosperity.

After the Armistice the returned soldiers had to be considered, and special legislation was enacted to meet their needs. By March, 1921, soldiers' civil re-establishment had cost Canada four hundred and forty-two millions of dollars, and this expenditure had to some extent tended to obscure the dislocation of employment resultant upon the economic situation caused by the world re-adjustments. This, however, was so acute that in December, 1920, the Federal Minister of Labour made the important announcement that if emergency measures were warranted, the Dominion Government was prepared to co-operate with provinces and municipalities to the extent of contributing one-third of the actual cost of relief disbursements; the other two-thirds to be paid either by the municipality or by the province and municipality accepting this scheme. This Federal Scheme for the Relief of Unemployment represents the first entry of the Dominion Government into a field in which it had never before accepted responsibility. (What is per-

haps not recognized is that the federal government has found it necessary to contribute on the same basis, though not always to the same extent, in every subsequent year save 1925 and 1928). Funds were provided under this scheme both for work aid and for direct aid, plans being approved by the federal power, but the responsibility for carrying them through resting with the municipality and province.

In practically all cases the cities co-operating with their province in accepting the scheme administered aid through one of their municipal departments or through private agencies. In most cases an applicant was entitled to apply for aid on the certificate of an official of the Employment Service of Canada (established 1918) stating that the applicant had registered for work and that none was available in his ordinary occupation. To obtain governmental refund for expenditure in any given case, the municipality might be required to demand a weekly renewal of this certificate. Gradually this practice became fairly formal in many municipalities. Aid was given in kind; food, fuel and some clothing. Rents were paid only in eviction cases or for temporary shelter in the case of homeless men. It may fairly be said that federal assumption of some of the burden aroused public interest in the problem of unemployment and stimulated some efforts towards concerted planning. Semi-official committees, often appointed by mayors, interested themselves in relief administration problems, sought to find work for the homeless, stressed the need for

integration of relief services and inter-community planning, while urging the importance of a broad attack upon the whole problem of unemployment. But "prosperity was around the corner", and in the upward swing of 1923 and the years which followed, we lost the incentive to study and plan for future crises. The few groups or individuals who strove to keep the question alive were unpopular indeed.

In spite of our ostrich-like attitude, we approached the depression of 1930 with certain advantages which, properly utilized, might have made more effective our handling of this most colossal disaster. As examples may be cited (1) the creation of the Dominion Bureau of Statistics in 1918 which made possible the development of those significant statistics essential to any sound social planning; (2) the growth throughout the country of private social agencies, grouped in our large cities into Financial Federations and Councils of Social Agencies, which have afforded opportunities for training in social planning and team work, propaganda and education regarding social questions; (3) the studies and experience of other countries, particularly of Great Britain and the United States of America, whose problems, on a larger scale so like our own, have been analysed by competent observers.

As a new country, Canada's planning with respect to its social problems is still in such elementary stages that few obstacles stand in the way of sound developments in social services. Such fragmentary bits of the English Poor Law as were early

adopted in the Eastern Provinces tend to be superseded rather than strengthened, and the general lack of Canadian legislation in this field is in itself an advantage in laying foundations for the future.

2. EXTENT OF THE PROBLEM

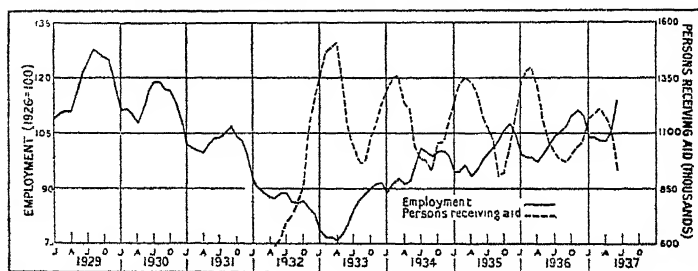
The Unemployment Aid problem of the depression years, 1930-37, has far exceeded both in volume and duration any previous Canadian experience. During this time we have faced a constantly changing situation in which attempts to secure any accurate knowledge of the volume of unemployment or the actual meaning of our relief costs, in terms of the social and economic factors involved, have been baffled both by the complexity of the problem and by the lack of uniformity of data on which to base an interpretation of ascertainable facts. To make this possible, the National Employment Commission, appointed under the National Employment Commission Act of 1936, for the purpose of fostering "a nation wide co-operative effort to enlist the co-operation of the provinces, the municipalities and other agencies, including organizations of employees and employers in the administration of unemployment relief and in an endeavour to provide work for the unemployed",⁵ carried out during the Fall of 1936 a registration and classification of people on unemployment aid throughout Canada.

This registration has afforded the most complete picture of the situation yet secured. It is carried on

⁵Unemployment and Relief in Canada, April, 1936, Department of Labour. (Issued as a supplement to the *Labour Gazette*.)

continuously so that at any time reliable figures concerning numbers and classification of unemployment aid recipients are available. A close analysis of these relief statistics and their relation to other unemployment statistics is given in the first chapter of this book⁶ and it may therefore suffice here to point out as illustrative of the size of the task of unemployment aid administration that in June, 1936, recipients of direct unemployment aid (including agricultural) numbered 1,065,000. This figure was 955,620 in September, 1936, and 752,714 in September, 1937. The latest figures available, those of April, 1938, show a total of 1,038,000, made up of 632,000 recipients of unemployment aid and 406,000 receiving agricultural aid, with an actual decrease of 24.2 per cent. in those receiving non-agricultural material aid as compared with the corresponding month of 1937.⁷

The chart attached to the Commission's statement of July, 1937, showing the curve of employment and of persons receiving unemployment aid during the depression years is here reproduced.⁸



⁶See page 33ff.

⁷*Labour Gazette*, June, 1938.

⁸National Employment Information Service, July, 1937.

3. THE MACHINERY OF RELIEF

(a) Dominion and Provincial.

Although during the present depression the Dominion Government has assumed a constantly increasing responsibility (at first on the tri-partite plan and later by agreement with the provinces on the basis of need)⁹ for the financing of both direct unemployment aid and unemployment work aid, there has never been any departure from the principle that unemployment is primarily a concern of provinces and municipalities. The Dominion Government deals only with the provinces and the responsibility of administering direct aid, together with the costs of such administration, rests with the local units.

This, of course, is in accord with the B.N.A. Act, which, while reserving to the Dominion certain public welfare functions, leaves the major part of public welfare control to the provinces. As already indicated, these latter have tended in the past to rely on the municipalities for such services, offering little or nothing in the way of assistance or supervision except in relation to those projects in which provincial financial assistance had been given. The organization and powers of the municipalities vary from province to province, and, although created by the provincial governments, they have considerable powers of self-government. While there is no law in Canada by which any province can force an established municipality to give relief to those in

⁹Annual Relief Acts, 1930-35, Unemployment Relief and Assistance Act, 1936, Unemployment and Agricultural Assistance Act, 1937.

need, a province, in creating a municipality, may require this unit to care for its needy. Such an obligatory clause occurs in the legislation of British Columbia dealing with the creation of municipalities.¹⁰ There is also provision by which, in certain circumstances, a province may collect from a municipality within its boundaries expenditures incurred on behalf of indigent residents of that municipality.

In the last decade there has been real progress, particularly in Ontario and the Western Provinces, towards co-ordinating the welfare services of their government departments and those of the municipalities within their borders. However, neither in the field of unemployment aid, nor in other forms of social assistance, can it be said that any province has yet reached a satisfactory stage of development. This fact has been forced upon our attention by the magnitude of the unemployment aid problem, the administration of which, as will be shown, varies astonishingly from province to province, and from municipality to municipality; even within the same province. In urban municipalities (recorded for purposes of the 1931 census as consisting of 112 cities, 477 towns and 1,016 incorporated villages) the administration is in the hands of the municipal councils which may operate directly through their civic relief departments, where such have been created (or through any other department—e.g., health, licensing, public works—which may seem

¹⁰Revised Statutes of B.C., 1936, Chapter 199, entitled "An Act Respecting Municipalities", Section 501.

convenient at the moment), through specially appointed groups either with or without council representation, by subsidy to private agencies, etc. In the case of the larger municipalities, the responsibility for unemployment aid is often delegated to some form of welfare board or committee which may be entrusted with the administration of other forms of relief and social service, or developed expressly to meet the unemployment aid situation. In Canada's self-governing rural municipalities, numbering 2,225 units, these services are generally handled by the secretary-treasurer under direct supervision of the rural council or a committee thereof. Only in unorganized territories, disorganized or bankrupt municipalities, is unemployment aid administered directly by provincial machinery. Thus, subjected only to nominal control, the fortuitous growth of measures to relieve distress, in what was expected to be a passing emergency, has resulted in an extraordinary variety of relief practices within the Dominion.¹¹ If based upon fundamental principles of sound social planning and treatment, it is, of course, desirable that different areas should adopt varying regulations in conformity with varying local needs. But to the extent that relief administration, calling for expert services, has been in the hands of those who are ignorant of the problem, where careless and sometimes corrupt practices have been allowed to creep in, or a too lax or too

¹¹The need of remedying the evil effects of this system was one of the reasons which prompted the National Employment Commission in its recommendations to make unemployment aid a national responsibility. (See page 97.)

repressive policy has been adopted, the country as a whole is suffering from the effects.

Because of the large measure of provincial autonomy and varying circumstances of settlement and growth, to discuss the machinery by which unemployment aid is given is to describe it almost province by province. There are certain similarities, but the one universal characteristic is the Dominion legislation through which the various provinces receive grants towards relief and works expenditures. Under the Relief Act of 1930, the Unemployment and Farm Relief Act of 1931, the Relief Acts of 1932, 1933, 1934 and 1935, the Unemployment Relief and Assistance Act of 1936, and the Unemployment and Agricultural Assistance Act of 1937 and 1938, various agreements have been made whereby assistance has been allowed to the provinces on bases ranging from one-third of the expenditure in actual direct aid in organized territories, and one-half the cost to the province in unorganized territories, to the latest arrangement of "lump sum" grants-in-aid¹² voted to each province on the basis of Dominion-provincial discussion of needs and resources.

By the agreements struck under these various acts, the costs of public works approved by the Minister of Labour have been borne in part by the Federal Department; usually at the rate of 25 per cent. Special arrangements for 50 per cent. of the

¹²For a discussion of the grants-in-aid for unemployment relief, see Luella Gettys, *The Administration of Canadian Conditions Grants*, Chapter 8, Public Administration Service, Chicago, 1938.

cost of any undertakings in regard to the Trans-Canada Highway were entered into in 1930. Maxima for federal expenditures were set in 1930 and 1933 at \$20,000,000.00. Funds toward the support of this legislation were voted from consolidated revenue. In more recent years, special works and Dominion assistance thereto are covered in separate Dominion-provincial agreements.

The Act of 1936 differed from the previous acts in that expenditures were limited to those appropriations which Parliament approves, and in that it gives authority to apply voted monies toward purposes recommended by the National Employment Commission under the Act of 1936 setting it up, and subject to the approval of the House of Commons where agreements are involved. The Act of 1937 has similar provisions.

The Maritime Provinces, prior to 1930, had for over a century provided relief to indigents through the system of overseers under the traditional English Poor Law system.

During the experience of the past seven years *Nova Scotia* has evolved a system of provincial supervision whereby the municipality still has direct responsibility for the granting of assistance but is under the supervision of the Supervisor of Relief in the Provincial Department of Labour. An order-in-council of January, 1934, recognizes a maximum food schedule which tends toward a new standardization in relief where provincial participation is in force.

New Brunswick, with a similar background in July, 1936, announced the discontinuance of any provincial assistance to direct relief, and since that time has planned to restrict provincial contributions to works projects, leaving to the municipalities the responsibility for all actual relief costs and services. Provision of grants under agreements since 1930 has been under the Department of Works, and many of the works projects in the urban centres might really be described as "relief for work" grants.

Because of the agricultural nature of the employment of its population and the lack of municipal code, *Prince Edward Island* has not evolved any elaborate scheme for unemployment aid administration. Apart from assistance given in the few incorporated units in the more populous areas which has been refunded by the Government, the province has given aid directly, and it has been possible to discontinue relief of any sort during summer months.

Quebec is the oldest province in Canada, and it was nurtured in the traditions of Old France. The Roman Catholic Church, representing the predominant faith of the province, through its long established religious orders, cared for its needy until the population increase and rapid urbanization of the twentieth century over-taxed its resources. It is natural, therefore, that the Quebec Public Charities Act should reflect the philosophy and principle of leaving social assistance to private charity wherever possible. Throughout the history

of the province, public assistance has been almost entirely restricted to institutional care, so that 1930 saw a situation in which there was no machinery for large-scale public relief of unemployment. Following 1930 to 1931, the Unemployment Relief Division was established in the Department of Public Works where it remained until 1936, when it was transferred to the Ministry of Municipal Affairs, Lands and Forests, and in August of the same year it passed to the Department of Labour under the supervision of the Deputy Director.

As allowed by the Dominion Relief Acts, the Province of Quebec contributes to the cost of food, fuel, clothing and shelter in those municipalities where there is an agreement that a serious situation exists, and receives a lump sum grant from the Dominion Government.

The province has not prescribed detailed regulations for the administration of aid, preferring, where costs are shared, to examine and approve municipal systems. In many of the smaller municipalities, aid is given on the basis of need as determined by the judgment of the individual administrator. When a municipality desires to establish its own procedures and practice, these require general approval from the provincial authority. Only in the largest cities have any public municipal services been created to handle the situation, while in the smaller cities and rural districts unemployment aid is distributed through the parish organization of St. Vincent de Paul Societies.

The Province of Ontario is the only province in the Dominion in which the administration of unemployment aid is under a Department of Public Welfare. Administration is carried on under the Relief Acts, and the actual administration of aid is directed by an assistant deputy minister of Public Welfare in charge of the Unemployment Relief Branch.¹³ This administration is subject to regulations set forth in orders-in-council of October 22, 1936, rescinding those of September 9, 1932. There is a permanent staff of forty-seven persons, including the central office and field staff. For purposes of administration, the province is divided into two areas, northern and southern, while all accounting is centralized. In the unorganized territories where no local government exists, aid is administered directly by the provincial authority.

The policy of the Department provides that each municipality shall have full charge of detailed administration of aid within its own boundaries, assisted by a monthly grant-in-aid from the Treasury of the province. This grant, largely on the basis of two-thirds of the expenditures of the municipality during the earlier periods, is now on the basis of the unemployment aid burden of the municipality and its ability to pay. It is understood that the Minister of Public Welfare may at any time ask for such information bearing on this matter as he may require.

¹³Since a change in the Ontario Ministry early in 1937, radical alterations have been effected in this administration.

Standards in regard to aid are recommended to the municipalities, and orders-in-council control maxima of assistance. Thus, while municipal autonomy is protected in the Ontario administration, an effort is being made to bring about comparable unemployment aid practices by uniform supervision, a common registration form, general definitions and *pro rata* allowances.

In *Manitoba*, the policy controlling the handling of unemployment aid rests directly with the Minister of Public Works. The Deputy Minister of Public Works, also Deputy Minister of Labour, is supervisor of unemployment aid for the province.

The population of the province is heavily concentrated in Winnipeg and its vicinity. The province has appointed a Greater Winnipeg Advisory Relief Commission, with representation thereon from each municipality included. The regulations made by the Commission are observed by each municipality in its separate administration except with regard to clothing aid, which is administered directly by the Commission. The Provincial Supervisor of Relief sits on the Greater Winnipeg Advisory Relief Commission.

Aid in the other municipalities of the province is administered autonomously by them, but is subject to supervision and regulation from the provincial authorities through the Supervisor of Relief. Certain special arrangements, to be discussed elsewhere in this volume, exist in regard to aid in drought areas, and the unorganized or disorganized

and insolvent municipalities are administered directly by the province.

Saskatchewan administers its unemployment aid under the Provincial Bureau of Labour, the larger cities establishing their own machinery, while the smaller municipalities, not in the drought areas, are supervised directly by the Bureau. The schedules adopted by the cities have been approved by the province and general provincial supervision is exercised.

The Saskatchewan Relief Commission was created in 1931 to handle aid in drought areas, but was disbanded three years later and all relief administration reabsorbed into the Bureau of Labour.

In the five larger cities of *Alberta* (Edmonton, Calgary, Lethbridge, Medicine Hat and Drumheller) the responsibility for administration rests with the respective municipalities. The limit of federal and provincial aid is fixed by a lump sum grant, but otherwise the five cities are free to evolve and administer systems, rates, procedures, etc. In addition, the province assumes responsibility for non-resident families and single men within these cities. All other aid throughout the province is under the administration of a commissioner of the Bureau of Relief and Public Welfare, and is granted according to the general scale drafted by an advisory committee. Municipalities, financially able to do so, carry approximately 30 per cent. of disbursements. In case of indigent municipalities, the province pays up to 100 per cent. entering the

municipality's share as a payment on credit. In this connection, a complete registry is maintained in the central Government office.

In *British Columbia* unemployment aid policy and administration are the responsibility of the Unemployment Relief Branch of the Department of Labour. In the organized municipalities throughout the province, policy, procedure, etc., rest with municipal councils, but in unorganized districts, administration is carried on by officials of the Unemployment Relief Branch, disbursements being made through the Government agent. In some sparsely settled areas, the Government agent functions directly as a relief officer, but elsewhere departmental relief officers have been appointed, responsible for administration and supervision over designated areas.

In the organized municipalities unemployment aid is administered directly by the municipal authorities, with the exception of the town of Fernie which is administered by a commissioner, the town of Ladysmith and the town of Enderby where the province administers aid directly, though charging back a portion of the cost. In Vancouver City the provincial department administers all aid to single men. In the smaller villages and towns the provincial government also assumes responsibility, so that in twenty-eight districts and seventeen villages, and in all unorganized territory, administration is supervised by the Government, and standards, practices, etc., are kept uniform.

In the municipal units, practice is becoming more standardized through Government co-operation and supervision. The provincial authority, while not stipulating the administrative set-up, procedures, etc., in these larger municipalities, has endeavoured to bring about a measure of control in aid costs by uniform food schedules, complete registration of every employable head, forms to be used in registration, etc.

In the *North West Territories*, and in the Yukon Territory and in Northern Quebec the population is divided for administrative purposes into three groups:—(a) Indians, (b) Eskimos, (c) Whites and half-breeds. While in this enormous territory emergency and disease create problems of extreme need which are met in part by the North West Territories Administration, often through the Royal Canadian Mounted Police (and in the case of Indians through the Division of Indian Affairs), there is no unemployment and no unemployment aid problem.

(b) *Municipal.*

A somewhat detailed description of the methods adopted for the distribution of unemployment aid by the six largest cities of the Dominion will serve to show how varied are the types of civic administration developed for this purpose.

Montreal. Since 1933 the administration of Unemployment Aid in Montreal has been centralized in machinery created solely for this purpose. Thus

has been simplified a highly complex situation resultant upon the racio-religious composition of the city's population, now (1938) numbering over one million, of whom 22 per cent. are English-speaking, 64 per cent. French-Canadian and 6 per cent. Hebrew; the remaining 8 per cent. being mainly of other European racial origins. Considered from the standpoint of religion, the English-speaking group are 67.6 per cent. Protestant and 32.4 per cent. Roman Catholic, while the French-Canadians are 99.2 per cent. Roman Catholic. This distribution has resulted in the development of four distinct federations of private social agencies, each conducting annually a financial campaign to meet the estimated social welfare needs of their communities in the following groupings:—(a) The Financial Federation of Social Agencies—Protestant and non-sectarian; (b) The Federation of Catholic Charities—English-Speaking Roman Catholics; (c) The Federation of French-Canadian Charities—French-Speaking Roman Catholics; (d) The Federation of Jewish Philanthropies.

As far back as 1924, the creation of the Emergency Unemployment Relief Committee, financed by private subscriptions secured by a group of Montreal business men co-operating with the Protestant clergy, was an acknowledgment that the burden of assisting the unemployed during the winter season was too great a tax on the main private relief-giving agency (The Family Welfare Association) of Financial Federation. Originally

planned to operate from the end of November to the end of April only, in 1931 the Emergency Unemployment Relief Committee found itself compelled to keep its offices open throughout the year. In the meantime, as a result of increasing unemployment, the financial burdens upon all relief agencies had become so heavy that some of them appealed to the City Council either to assume the burden of unemployment aid administration, or to supply the private agencies with funds for this purpose. As a result, in the autumn of 1931 the city of Montreal decided to avail itself, for the first time, of the provisions of the Dominion Unemployment Relief Act, and appointed an Advisory Relief Committee, under the chairmanship of the Superintendent of Municipal Assistance, charged with the custody and disbursement of monies appropriated by federal, provincial and municipal authorities for direct unemployment aid. Private agencies were reimbursed for certain expenditures for unemployment aid from October 1, 1930, and six agencies, representative of the various community groupings, were recognized as distributors of Government monies for this purpose. These were:—(1) The St. Vincent de Paul Society, serving the French Roman Catholic group; (2) The Montreal Council of Social Agencies, responsible for the expenditures of the English Protestant agencies; those mainly concerned being the Emergency Unemployment Relief Committee and the Family Welfare Association; (3) The Federation of Catholic Charities, which

operated a special Unemployment Relief Committee administering relief to English-Speaking Roman Catholics; (4) The Federation of Jewish Philanthropies, distributing relief to Jewish unemployed through its Family Welfare Division; (5) The Canadian Red Cross, under whose auspices the Montreal Relief Committee operated a shelter for homeless men; and (6) Le Refuge Catholique Incorporé, a shelter for French-Canadian homeless men.

In the spring of 1933, a Mayor's Committee considered the whole relief situation. As a result, the City Council appointed a Civic Unemployment Commission to take over from the private agencies the task of distributing unemployment aid funds. The immediate results were unsatisfactory. The Commission was completely lacking in experience of problems of relief; offices were set up in the various municipal wards and municipal politics played their part in a scene of confusion where rules and regulations changed daily as the staff struggled under pressure from all quarters.

However, after August, 1934, with changes in the personnel of the Commission, an organization distributing unemployment aid, which functioned most effectively, from a mechanical point of view, was developed. In July, 1937, the Commission was dissolved, administrative control being assumed directly by the City Council through the Department of Health.

The Administrative offices of the Department and the offices of the provincial revisors (who repre-

sent the interests of the Quebec Government) are in the same building. There are over twenty branch offices where applications for aid are received and from which the unemployment aid cheques are distributed.

Application is made on a prescribed form at the branch office in the ward in which applicant resides. The person applying must be (1) employable, (2) have resided continuously in the City of Montreal for three consecutive years prior to date of application for relief or if non-resident for any period during this time must prove residence for double the period of absence prior to the beginning of the three-year period, but within the last ten years, and (3) possess an identification card issued by the City on proof of residence. He is further required to make declaration on oath as to his destitution, the inability of his relatives to support him, and the correctness of all information recorded on the application forms. On the day the application is completed, the ward office registrar forwards it to Head Office. An investigator then visits the applicant's home and a report from the last employer is secured. The original application and the investigator's report are then compared and considered by the revisors who approve or reject the case. If the former, it is assigned the appropriate "ration", and the file is then sent to the provincial revisors for approval. If eligibility or amount of "ration" is not approved by the provincial revisors, the City must accept the full financial burden. The production

and distribution of unemployment aid cheques are carried out so efficiently that, unless the case is complicated, not more than three days elapse between the unemployed person's first application and his receipt of the first cheque. The applicant must claim his cheque at the ward office within forty-eight hours of the weekly date assigned to him. He must identify himself and sign a receipt for the cheque. These ration cheques are for food, fuel and clothing. Rental claims are not made by the applicant but by the landlord or rooming-house keeper, with whom the Department deals directly. On presentation by applicant of bills for the consumption of light and gas, cheques are made in favour of the Light and Power Company. Medical care is provided by means of a special permit.

A recipient of aid is required to report any employment secured by himself or members of his family since the last cheque was received. A means of checking such employment is provided by City By-Law (No. 100, Art. 44) enacting that any person, corporation, society or institution employing one or more persons in the City of Montreal must furnish to the City Unemployment Relief Department a monthly list of all employees hired or discharged during that month. No deduction in the relief cheque is made for the casual earnings of the head of the household if these do not exceed \$3 per week; the wife or children must contribute 50 per cent. of any earnings to the support of the household. In the case of a single person, relief is

cut off only when the revenue exceeds the relief allowance by \$1 per week. Similar regulations are in effect as regards single men and women on unemployment aid. Regular employment of the applicant, even for two or three days a week, disqualifies him or her for further aid. Legal action may be taken in cases where aid has been secured contrary to regulations.

Toronto. Toronto was one of the Canadian municipalities which, prior to the present depression, had provided through the machinery of its civic administration for the care of families in their own homes. This was done through the Division of Social Welfare under the Department of Public Health. By an arrangement carrying over from an earlier administration, the House of Industry under a private board supplied all outdoor relief, though this might be on requisition by the Division of Social Welfare. The Relief order was a standard order according to size of family, and was dispensed in kind and from a central depot. This House of Industry also provided custodial care for the transient or chronically dependent. The Institution had a foundation budget deriving from bequests supplemented by City grants. Through this arrangement food assistance was provided by the House of Industry and additional supervision and service by the staff of the Division of Social Welfare.

By 1931 it had become evident that the intensified problem created by the depression demanded

more comprehensive planning, and in that year a separate Department of Public Welfare under its own Commissioner was established. In the earlier stages of the development of this Department various co-operative arrangements were made with private agencies. Eventually all supervision of public aid to the unemployed was assumed directly by this Department. The Department of Public Welfare is responsible to the City Council, the Commissioner reporting directly to the Board of Control. Attached to this administration and under the direction of the Department is a division giving more extended service in social problems. Clothing is distributed from a central depot. Other aid is given by voucher. The work of investigation and direction is carried on through five district offices, each in charge of a district relief officer to whom application for assistance is made and by whom investigation is directed.

Ottawa. Ottawa, after an experiment with an administration under a Public Welfare Board comprised of elected and private citizens, is now operating a Department of the Civic Service with its Commissioner directly responsible to the Board of Control and City Council. Unemployment aid is given in scrip.

Hamilton. Hamilton operates both its general welfare and special relief services under a Public Welfare Board composed of private citizens and Council

members named by the City Council. Relief administration is carried on under a decentralized plan whereby the city is divided into forty-two districts, each with a visitor in charge, responsible for investigation and the granting of unemployment aid and other relief, in accordance with regulations outlined by the Board.

Vancouver. Vancouver was one of the earliest Canadian cities to operate a fully organized Civil Relief Department. This Department was adapted to the special situation developing in 1930-31. In addition to handling unemployment aid, it has continued to administer, through the Social Welfare Division of the Public Welfare and Relief Office, all public relief and other types of social assistance which are the responsibility of the city. The administration of both divisions is carried on under the supervision of a committee of the City Council, the Committee on Public Welfare and Relief, under the chairmanship of an alderman. The relief officer, (social service administrator) is the executive official of this committee.

Winnipeg. Winnipeg, in contrast with other large Canadian cities, has long maintained two distinct public departments dealing with municipal relief and with unemployment aid separately. The Social Welfare Commission, which is a committee of members of the Municipal Council, together with citizen members named by the Council, supervises

assistance to citizens in need from causes other than unemployment, while two bodies deal directly with the city's unemployment aid problem. These are:—

(a) The Greater Winnipeg Advisory Board on Unemployment Relief (Provincial) which supervises the schedules and standards of aid for the area of Greater Winnipeg, and directly administers all clothing aid for Winnipeg as well as for such other municipalities as may agree to use its services, and (b) The Unemployment Relief Committee of the City of Winnipeg, consisting of aldermanic members appointed by the City Council, with representatives of the provincial governments, which supervise the direct administration of all unemployment aid within the city other than the distribution of clothing.

The Greater Winnipeg Advisory Board on Unemployment Relief is appointed by the provincial government, its chairman being an outstanding private citizen, and its members representative aldermen from the larger units of Greater Winnipeg, who are responsible for administration of aid within their respective municipalities, a representative of the Trades and Labour Council, a representative of the unemployed, and a representative of the provincial government in the person of the Deputy Minister of Labour who is the Provincial Supervisor of Relief.

This Board was set up in October, 1932, in an attempt to bring about uniformity in rates and

practices within the area of Greater Winnipeg. The Board's powers are limited to those of an advisory group, but since provincial participation in reimbursement to the municipalities of aid expenditures is limited by the rates and practices which it approves, it exercises indirectly a fairly strong control over the systems and costs of these units. This Board assumes responsibility for the purchase and distribution of clothing to the unemployed of the City of Winnipeg.

The Unemployment Relief Committee of the City of Winnipeg is appointed by the City Council and is entrusted with the administration of unemployment aid to families and single women¹⁴ of Winnipeg. It consists of six members of the City Council, one of whom acts as chairman while another is the chairman of the Civic Social Welfare Commission. The Deputy Minister of Labour and the local superintendent of the Employment Service of Canada represent the Province. The superintendent of the Civic Unemployment Relief Department is secretary of the Committee.

The variations of unemployment aid administration in the smaller cities of the Dominion do not call for any special comment. In general, that more intimate knowledge of local conditions and resources possible in smaller communities, makes for a more individualized approach to the unem-

¹⁴The Relief Commission for the care of unemployed single men is a provincial Commission in charge of homeless men which provides food and shelter for transients, operates work projects, administers farm placement, etc

ployed and a less uniform, though not necessarily more adequate, treatment of his needs than is found in the larger centres of population.

(c) *The Functions of Private Organizations.*

While the practice of Government subsidies to private agencies to enable them to carry, either wholly or in part, the burden of public relief and unemployment aid, has not completely disappeared, it is interesting to note that Vancouver and Winnipeg, prior to 1914, Edmonton and Calgary after 1921-22, Hamilton, Ottawa, Montreal and Toronto in 1933, determined that public funds for relief purposes should be administered by the responsible public authority, and this principle is now generally accepted outside the Province of Quebec. In places where municipalities are slow in assuming such responsibilities, private agencies of various types are to be found striving to meet the more urgent needs of those in distress, but as city governments have developed their welfare and relief services, private social agencies are adapting their work to changing conditions, and have been gradually clarifying their position as to probable future function. Division of labour between public and voluntary agencies giving relief and service to families has long been a topic of study and discussion, which, during the last few years, has been forced into the foreground by financial considerations. As a result of conferences of representatives of leading public and private agencies, under the auspices of the

Canadian Council on Child and Family Welfare, (now the Canadian Welfare Council) the following statement of relative responsibilities was agreed upon at a meeting called by the Council in Hamilton in May, 1934:—

"1. While recognizing the need for private philanthropy and the part it will continue to play, the burden of direct relief has admittedly increased beyond its resources. Consequently the responsibility for the assurance of such relief, whenever and to what degree it may be necessary, should be considered an essential public service, whether exercised by the State in its Federal, Provincial or Municipal spheres.

"2. The responsibility for investigation in connection with the provision of relief met from public funds, rests on the State (in its Federal, Provincial or Municipal spheres).

"3. (a) Case work service (individual as against mass relief service), for the rehabilitation of families, is essential in connection with the administration of relief, and this will become more necessary as years of dependency increase.

"(b) Case work service, being carried on primarily by private agencies, should be developed increasingly in public departments, as public opinion in the community permits.

"(c) The private agencies should carry on a programme of education of public opinion with regard to the value of case work services and with regard to the desirability of allowing public departments a budget adequate to assure the employment of qualified case workers.

"4. The resources of public and private agencies should be co-ordinated for the betterment of

human conditions, and the effecting of such economies as may be possible.

"An intimate working arrangement, based on regular conferences, is essential for the achievement of this result.

"5. In view of the findings in No. 3 above, the fact that in certain communities the public department has not reached the stage at which it can maintain a satisfactory case work service, makes it necessary that in such communities the major responsibility for case work service should be carried by the private agency, within the limits of its resources, until such a service, in accordance with satisfactory standards, can be developed in the public department, when the responsibility for this service will be shared.

"6. The increasing sharing of responsibility by the public department for the maintenance of the existing case work services, permits the private agency to devote its energies to the improvement of existing methods and the cultivation of new fields of work in the interest of human welfare."

Following along these lines, close working relationships have been developed in some areas between the public and privately financed services, and arrangements for supplementing each other's efforts in the interests of those in need, have been carefully worked out. These plans may include co-operative treatment of family situations as a result of joint planning, the public agency supplying the material assistance according to schedule, while serious social problems are dealt with by the private agency which may, if necessary, give additional

relief as part of the treatment plan. Most family welfare agencies, however, are still much involved in the relief problem since they find it necessary to "take up the slack" left by the municipal service or to give much emergency relief, especially to non-residents. In areas where educational and recreational facilities are scanty, some private family agencies have initiated various types of activities to help fill pleasurably and profitably the enforced leisure of their clients, and both public and private agencies make use of other specialized services and resources in the community. There are, however, in the 425 cities and towns of Canada, only eighteen private family welfare agencies employing at least one salaried worker. Nine cities have financial federations or community chests, and thirteen have definite social planning in the form of a council of social agencies, viz., Halifax, Saint John, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Saskatoon, Calgary, Vancouver and Victoria.

Some effort towards community organization may be found in other places, but in the overwhelming majority of Canadian municipalities there is little or no attempt at co-ordinated social planning. There are no means of ascertaining, with any degree of accuracy, the amount of relief and other social work undertaken in these areas by churches, clubs and other voluntary groups, and a very cursory survey is usually enough to reveal the waste of time, money, thought and effort resultant on the

haphazard, and often indiscriminate, handling of a situation where goodwill and a sense of responsibility are not backed by knowledge of the problem.

Not only has there been lack of co-ordinated effort as between the responsible units of government and between these and the voluntary services, but within the governmental services themselves this condition of affairs often exists. Even in the federal government, for example, there has been no definite tie-up between the Employment Service of Canada and the Unemployment Relief Branch, both of which are divisions of the Department of Labour. (However, local employment offices and administration of unemployment aid are both within provincial jurisdiction and not Dominion.) It is true that local employment offices have played no inconsiderable part in the unemployment aid administration picture in some municipalities. In some areas applicants for relief must first register for work with the Employment Service and must secure a card stating that no work is available for them before aid is granted. Certain municipalities demand that recipients of aid make a daily call at the employment office. A more usual method is to require a new registration every week or two.

Again, there has been no formal co-operation between Unemployment Aid Administrations and organized labour as represented by the Trade Unions. It is known, however, that many of the latter have almost bankrupted themselves through

their efforts to keep their members off unemployment aid. The railways shop trades, for example, in addition to wage cuts, voluntarily accepted reduction of working hours in order to reduce lay-offs, even to a point at which the economic condition of the employed was very little, if any, superior to that of their fellows in receipt of Government aid.

As the depression has progressed, responsible citizens have developed increasing awareness of some of the implications resultant upon poor co-ordination of relief measures and social assistance as these exist in their own communities, and are to be found struggling with plans for the better organization of local services.

(d) *Personnel.*

As might be expected, the personnel employed in the administration of Unemployment Relief present qualifications at least as varied as the types of set-up in which they work. Few of those employed have had training in social welfare administration; in fact, there have been practically no available facilities for such training, and workers have been forced to learn "on the job", and at the expense of those whom they serve, methods of handling tasks presenting unusual difficulties. The output of the Canadian Schools of Social Work has at no time been sufficient to meet the demands of even the voluntary agencies, and professional social workers, whether the product of the schools, or of the apprenticeship method of training, have experienced

practically 100 per cent. employment. Such workers have been in great demand to head up governmental relief organizations and welfare services, notably in Ontario and British Columbia, but for the most part the jobs have gone to persons with widely varying backgrounds. In the administration of unemployment aid, in, for example, Northern Alberta, the Royal Canadian Mounted Police are the agents; in other provinces, Provincial and City Police, Public Health Nurses and officers of the Children's Aid Society, have been pressed into investigation services. "White collared" and other unemployed, have been used freely, the general supervision being usually assigned to officers of the municipal or provincial government, whose previous experience has been in other fields. That many of these have performed their duties highly successfully should be stated, yet any administrator is obviously at a disadvantage in not understanding the services he administers. While it is charged that some of those employed have demonstrated high sensitivity to political expediency, recognition should be given to the fact that little or no security of tenure has been the lot of most workers in unstable emergency aid administrations under conditions peculiarly favourable to the exercise of political pressure. There is, however, sufficient evidence of sound management in public departments throughout the country to discredit the tradition that such work cannot be handled efficiently under public auspices.

In considering the trends of unemployment aid administration during the past eight years, some evidence of the following seems to emerge:—(a) A growing acceptance of the fact that unemployment aid is a responsibility of government, and, as such, must be administered by government agencies; (b) increasing provincial control of a type suggesting co-ordination rather than centralization, and sufficiently flexible to meet the varying needs of local communities; (c) increasing awareness on the part of the public of the need for adequate and effective organization of social services; (d) growing co-operation between public and private welfare organizations. A less satisfactory and rather general feature of the situation has been a developing tendency on the part of local administrations to relieve local funds by placing on the unemployment aid rolls (in order to recover part of the cost involved) those suffering from physical, mental and other handicaps. This practice has obscured the unemployment problem, and, as the National Employment Commission has pointed out, puts needy individuals who are unemployable or of doubtful employability in an anomalous and dangerous position as regards assistance or relief.

As a first step towards clarification and future constructive planning, the National Employment Commission recommends the restriction of the term "relief" to "the help given by municipalities, with or without the assistance of the province, or of private agencies, to the indigent poor and un-

fortunate . . . the term 'assistance' to help given under predetermined conditions to particular groups by separate statutes, such as Mothers' Allowance and Old Age Pensions", and the term "aid" to the type of help to which the Dominion contributes.¹⁵

The whole question of "practical measures for ensuring efficiencies and economies in the practical administration of aid" has been given prolonged study by the Commission. Its attitude towards the problem changed considerably the more acquainted it became with the question and this change is clearly reflected in the recommendations contained in the Commission's Interim Report of the summer of 1937 and the Final Report issued in January, 1938. In the Interim Report it was stated that the final responsibility for unemployment aid should remain with the municipal authorities and the provinces, while the Dominion should make financial contributions where needed by local conditions and that these grants should be made dependent upon the fulfilment of certain conditions and upon supervision by a Dominion authority. This view, however, was completely reversed by the recommendation of the Final Report which emphasized the need of Dominion responsibility for the whole unemployment problem. A system of compulsory unemployment insurance should be introduced and persons not protected by the insurance scheme should be cared

¹⁵National Employment Commission Information Service, July, 1937.

for by a system of unemployment assistance financed and administered by the Dominion Government. Undoubtedly the British reform legislation of 1934 served as a model for these propositions and they are, for that reason, discussed in this book in the chapter "Canada's Unemployment Problem in the Light of Foreign Experience".

4. TYPES OF AID PROVIDED

Apart from occasional care given to the homeless in hostels or other institutions, unemployment aid is "outdoor aid", that is, it is supplied to individuals in their homes. It may be given in kind or in cash. Throughout the Dominion much unemployment aid is still distributed in kind, although increasingly cash or scrip is being given. Two arguments are used against cash relief, namely, that it is likely to be wasted, and that it is more expensive. The first, of course, assumes that loss of a job means also loss of capacity to spend, and the second cannot well be proved since other factors, such as policy change made at the same time, and reduced costs of administration, resultant upon the change of system, must be taken into consideration. It is probably true that cash relief, if properly organized, can be the best, and if carelessly handled, the worst form of administration of aid. While some people on relief undoubtedly spend cash unwisely, the closer approximation to normal living conditions spells a more satisfactory adjustment for the great majority.

The Dominion Government describes the items for which its unemployment aid grants may be utilized as food, fuel, shelter and clothing. It is, however, not required that province and municipality shall apply the federal grant to such prescribed items, and food is the only one universally provided to aid recipients. Relief of other types, such as medical and dental care, school books for children, loans for productive purposes (as purchase of tools, or railway fare to enable a worker to take a job) must be met by provincial and municipal governments, either jointly or individually.

Those provinces which have assumed the largest share of responsibility for measures of unemployment aid are Ontario, British Columbia and Alberta. The provisions of the Ontario provincial government, contrasted with those of Quebec, illustrate well the wide variations in provincial regulations under which Canada's unemployed citizens exist. Quebec contributes to the cost of food, fuel, shelter and clothing only, and municipalities desiring to adopt additional items must do so at their own cost. Cash aid is only allowed when assurance is given that the distribution will be sufficiently controlled to prevent abuses. Ontario, on the other hand, defines items in which the province will participate as "food, fuel, clothing (including foot wear) mattresses, shelter, medical supplies, vegetable seeds, seed grain, or the equivalent of any or all of them." Ontario municipalities may elect to give cash aid or aid in kind, as long as the amount

granted is arrived at in conformity with the existing Government regulations. Food regulations are based upon the recommendation of the Ontario Advisory Committee on Direct Relief (July 28, 1932). In 1934, following a study of food price increases, regulations were changed to allow the Unemployment Relief Branch of the provincial government to recognize the discretion of a municipality in increasing the maximum scale used by it according to local needs, up to a 25 per cent. increase over the rates adopted in 1932.

Fuel is provided on a basis of need and, though some municipalities fix a maximum schedule, the province does not attempt to regulate allowances for an item that varies so widely.

Clothing is not prescribed by schedule but issued at need, in some centres through depots, in others by vouchers, in yet others by cash grants which vary from thirty-five and forty to ninety cents a head per month. In some centres the clothing allowance is fixed as a percentage of the food or shelter allowance.

Shelter, defined to include (a) lodging, whether in hostels or otherwise, (b) rent, (c) water, (d) light, (e) allowance to home owners, is provided under regulations which grant discretionary powers to Relief Administrations, limited, however, by the proviso that no payment of rent shall exceed monthly one-twelfth of double the annual tax bill on the premises occupied, and provided also that in no instance shall the cost of rent, including water, exceed \$15 per month per family, for a family of

four persons or less, and \$20 per month per family of more than four persons; and that the monthly cost for light shall not exceed \$1 per family. In municipalities of less than 10,000 population and in those between 10,000 and 50,000 population, the Relief Administration may advance such shelter allowance to an amount not in excess of \$5 and \$6 respectively per month. Where a person in receipt of aid owns a house in which he resides, and on which at least for any year ending December 31st, one year's taxes are owing, an allowance may be made for shelter in accordance with the above rates.

School texts and school supplies may be furnished to children of families on unemployment aid on request of school principals. Medical services and medical supplies to the unemployed are provided in Ontario through a special arrangement. Each municipality throughout the province provides each and every month a sum equal to the total of thirty-five cents for each person registered for and in receipt of aid in such municipalities at any time during such month, from which payment is made to doctors and druggists for medical services and medical supplies. Medical relief (exclusive of hospitalization) is available to any person on unemployment aid and is administered in co-operation with medical relief committees selected in each municipality by the Ontario Medical Association, subject to the approval of the Minister of Public Welfare.¹⁶

¹⁶The present scheme of medical provision in Ontario and other provinces is described in more detail in Fleming, Marsh & Blackler:
(Continued on next page.)

In the remaining provinces and outside the larger municipalities, the provincial authorities exercise fairly close control over types and amounts of unemployment aid.

In rural areas such factors as the possession of a cow, or two or three acres, the proximity to coal or the nearness of the forest (as in British Columbia or New Brunswick) affect the food and fuel allowances. Ideas as to what constitute the necessities of existence differ between rural and urban communities as regards housing conditions, decent clothing, etc., and where maximum schedules are laid down distinction is usually drawn between rural and urban areas. Local conditions and local attitudes also influence the amounts granted in urban areas within the same province. In these circumstances, there is but little uniformity in the grants made to recipients of aid. For example, in the small cities of Quebec the food schedules, as calculated for the family of five for one month, range from \$30.34 to \$13.

The schedules of food allowances in force in the cities providing (1) the highest, and (2) the lowest rate in the Dominion, are as follows:—

	1 ADULT 0	1 ADULT 1	1 ADULT 2	1 ADULT 3	1 ADULT 4
Maximum Scale of Total Food Relief per week . . .	DEP. 2.06	DEP. 3.30	DEPS. 4.55	DEPS. 5 66	DEPS. 6.77
Minimum Scale of Total Food Relief per week . . .	1.80	2.30	3.00	3.25	3.80

Health and Unemployment: Some Montreal Studies, McGill Social Research Series, No. 7 (Chapters 20 and 21), McGill University, Montreal. Special attention is drawn herein to the study devoted to the improvement of the statistical and administrative organization of medical services now being conducted in Essex County, Ontario.

	1 ADULT 5	1 ADULT 6	1 ADULT 7	1 ADULT 8	1 ADULT 9
Maximum Scale of Total Food Relief per week . . .	DEPS. 7 80	DEPS. 8 72	DEPS. 9.65	DEPS. 10.45	DEPS. 11.16
Minimum Scale of Total Food Relief per week . . .	4.10	4.75	5 12	5.60	5.60

Single unemployed men and women, apart from those absorbed by the Farm Placement plan, which, financed by the federal and provincial governments on equal terms, provides care for homeless men and women on farms, are, for the most part, given food and shelter allowances or lodged in special hostels. Revival in the logging and mining industries has probably given employment to some of those men cared for in the Federal Relief camps which were closed in 1936. In some municipalities, notably in British Columbia and Alberta, when work can be made available, aid must be "worked out", either wholly or in part by the able-bodied, and cash is then paid to meet that proportion of aid for which labour has been performed. Throughout the country various arrangements are made in connection with deductions for casual, part-time earnings, and other income of aid recipients. While the percentage varies with different municipalities, the usual deduction on earnings is from 50 to 60 per cent., provided the total monthly income, excluding aid, exceeds \$10.

The relationship of unemployment aid rates to prevailing wage scales, and to the average earnings of the lower paid workers, constitutes a serious problem. While unemployment aid scales in many areas in Canada are shown to be below minimum

subsistence needs, in other places, while not above minimum health and decency standards, they are as high or higher (particularly for the larger families) than the amount the unskilled or partly skilled man can earn when employed full time at prevailing wage rates. Other problems of unemployment aid administration are the lower aid schedules in rural areas which result in families moving into cities to secure larger allowances; the tendency, already cited, to effect savings for local administrations by charging unemployables to the unemployment aid administration—thus reducing the indigent or charity accounts as such; and the use of unemployed in receipt of aid on road making, which has resulted in certain municipalities (e.g., in Ontario) having larger unemployment rolls in summer than in winter.

The problem of medical aid has been complicated by the fact that throughout our history most of those unable to pay for necessary medical attention have received free treatment through the generosity of the medical profession. Medical care is not an item in the Dominion Government provision for unemployment aid, and in the early days of the depression little or nothing was done to lighten the unfair and rapidly increasing burden carried mainly by gratuitous services. When the situation, particularly in all the larger cities, became so acute that action had to be taken, various arrangements for the provision of medical relief were adopted by provinces and municipalities. The scheme in force

in Ontario (the only province to provide medical aid for the unemployed on a province-wide basis) has been described above. An interesting set-up is found in Saskatchewan where one-third of the rural area is served by over one hundred municipal physicians, providing medical care for all residents of their respective municipalities, and it should be noted that the Health Insurance Act of Alberta, which has remained in abeyance since the election of the Social Credit Government, included provisions for indigent care. Municipalities have met the need as circumstances have suggested. The plan for the city of Montreal was based on that in force in Ontario, but is entirely a municipal undertaking with a committee of six doctors and one pharmacist, appointed by their respective professional societies, acting in an advisory capacity to the Unemployment Relief Administration. Winnipeg's medical relief service also is provided entirely by the municipality. A medical advisory committee, appointed by the local medical society, advises the Unemployment Relief Department, and a restricted but efficient service on a modified scale of fees for home, office and hospital visits, is given by the general medical profession with a maximum monthly payment per physician. Vancouver makes a monthly grant of \$5,000 to the Vancouver Medical Association; this amount being contributed equally by the provincial and city governments. In return, the Medical Association, representing the practitioners of the municipality, agrees to

provide home and office treatment as required for all recipients of unemployment aid. The individual doctor submits a monthly account to the Association, and all accepted claims are paid on a pro rata basis by that organization. Special arrangements are made for hospitalization, maternity care, prescriptions and supplementary food allowances ordered on account of illness. These and similar schemes, developed in the Dominion to meet the pressing needs of the unemployed, suggest that future planning cannot fail to take account of the fact that the workless represent only a part of that medically indigent group which includes a large proportion of workers on low income.

5. EFFECTS OF THE PRESENT UNEMPLOYMENT-AID SYSTEM ON THE UNEMPLOYED

In the early days of the depression, the difficulties in the way of securing aid and its frequent inadequacies were responsible for cases of acute suffering and the breakdown of morale. Many of the unemployed sold their homes and other possessions, ran into debt till their credit was exhausted, and endured serious privations before reaching the unemployment aid lists. In many areas no rent was paid and evictions were common; in a still greater number, householders could secure no allotment in lieu of rent, with the result that payments on taxes and insurances were impossible, and foreclosures on mortgages occurred frequently.

Little scientific research has been done in Canada concerning the effects of prolonged maintenance on

unemployment aid budgets upon the physical condition of the unemployed and their families. The many complicating factors involved in a consideration of this problem are discussed in a volume to be published shortly¹⁷ giving the results of a series of studies of unemployed and low income families in Montreal. The general consensus of opinion of competent observers in the United States and other countries is that malnutrition, caused by inadequate diet over a long period of time, appears to result in a general lowering of physical resistance, which makes for incapacity to hold jobs and to shake off disease. Attention has been directed to the effects of malnutrition on the physical and mental development of children, and investigations point to an excessive and increasing incidence of illness in long-term relief families. A considerable amount of effort has been expended in some localities in attempts to help the recipients of unemployment aid to utilize cheap and nourishing foodstuffs and to plan meals wisely, but the difficulty of changing food habits is generally recognized, and most food budgets are conceded to be marginal.

All these numbers of people in receipt of help, the enormous and mounting costs of their maintenance, our recognition that administration is uneven, unstable and full of anomalies, operate to focus attention on the present unsatisfactory situation rather than on the basic economic problem. A good deal of criticism is directed towards the

¹⁷Fleming, Marsh & Blackler: *ibid.*

unemployed. Questions arise as to the real extent of need and the effect of aid on the *morale* of the recipient. Such help, of course, affects different individuals differently. To become unemployed is not to become depersonalized; people do not become mysteriously alike by reason of sharing the common experience of being jobless. There is no standard model, the unemployed person.

Social workers, dealing day in and day out with their unemployed fellows, are agreed that the most common attribute of these people is the patience they display, often under incredible hardship. Among them there are undoubtedly slackers, imposters and parasites. Experience, however, indicates that the once self-supporting worker does not readily abandon his independent status and that he is usually anxious to return to work at the first opportunity. We have, it is true, in many cases done our best to deaden his initiative and self-respect by our methods of aid. Threats of cuts in aid schedules, of special investigations, of the "purging" of unemployment aid lists, all tend to heighten the aid recipient's sense of insecurity. He feels himself at the mercy of the administration, and has no assurance that his need will be effectively presented and understood. Frankness in such circumstances may seem to him to be inadvisable, and concealment of facts entirely justified. He may refuse work, not because he prefers unemployment aid to independence, but, especially if he has a family, because he weighs the luxury of a job

against the delay and inconvenience of re-instatement on aid should the work prove only temporary, or because deductions on account of earnings may be so great as to make the job practically worthless. Job refusals may, of course, be due to a preference for even meagre support to work, but the unemployed should not be asked to accept employment for which they are unfit; under unreasonable conditions, hours or rates of pay. Attempts to exploit the workless are not uncommon; the most frequently quoted examples are perhaps in the field of domestic service, where women employers especially have been known to wax eloquent concerning the iniquity of girls who are unwilling in hard times to work for merely room and board. The "they don't want to work" claim, if sifted, would probably show the same results in Canada as were disclosed by the F.E.R.A. studies in the United States.¹⁸

Old ideas die hard, and we are still prone to exalt the virtue of economic independence, even while we recognize that the unemployed are the victims of a social system which should expect to meet its social costs. Our conditioning is such that in these days of improving economic conditions, we hear of employers discriminating against the men on the unemployment aid lists. While all such statements need to be considered carefully with regard to the relative capabilities of applicants, etc., apparently we have not freed ourselves from the idea that the

¹⁸Serota: *The Myth of Work Refusals—This Business of Relief*. American Association of Social Workers.

ability to avoid public relief, by no matter what means, is indicative of a certain superiority. Since this is so, it cannot be denied that with us all, including the unemployed, a stigma attaches to the acceptance of aid.

At the same time, the widespread nature of unemployment today has forced people generally towards a more realistic attitude. Perhaps one of the more hopeful results of the present depression is the increasing tendency to regard unemployment aid as inevitable under the present system, and to concern ourselves not merely with alleviations for the jobless in distress, but with the underlying causes of their condition.

III

UNEMPLOYED YOUTH

H. A. WEIR

It is the jobless youth of today who will become, in all probability, the unemployed man of tomorrow. Programmes designed to promote the rehabilitation of unemployed adults have been, and no doubt will continue to be for the most part, remedial in nature; but the jobless youth of Canada offer an opportunity for preventive measures which will not only correct the present situation but which, at the same time, may eliminate the necessity for subsequent adult programmes. If unemployment is to be diminished or removed entirely, the logical place to begin with a policy of reform seems to be with the prospective wage-earners of the country, for such procedure is to attack the problem at its very beginning.

Many and varied are the difficulties which beset the student of unemployment among Canadian youth. The most obvious is to arrive at a generally adaptable definition of the phrase "unemployed youth". Between what age limits is the term *youth* applicable and when is a young man or young woman to be classed as *unemployed*? As far as possible for purposes of the present discussion, the term *youth* will be reserved for young men, married or single, between the ages of sixteen and twenty-

five years and for young unmarried women between the same age limits. This definition seems to be in keeping with that set down by most of the investigations into the problem. It is a much more difficult matter, however, to dispose of the word *unemployed*. To accept the most common definition, namely, "wage-earners who report no job at the time of census-taking", would be to exclude all those young people who have never been gainfully employed since leaving school, for they are certainly not wage-earners. And there is every reason to believe that the major proportion of unemployed persons under twenty-five years of age in Canada today have been employed only intermittently or not at all since they completed their education. It seems necessary, then, to include all young people who report no job at the time of the investigation. Even this type of classification is quite unsatisfactory for it includes all those who are not working due to illness, lay-off, accident, or unsatisfactory service, and these people can hardly be classed as unemployed in the strict sense of the term. The difficulty of setting up a rigid criterion of unemployment is readily apparent but, unless otherwise stated, this broad and inclusive usage will be adhered to in the present chapter.

Probably the greatest obstacle to a satisfactory treatment of this subject lies in the serious lack of statistical data relating to unemployed youth. The Dominion Bureau of Statistics, the National Employment Commission, the provincial and local

governments, and various other agencies have collected valuable information on the problem of unemployment generally but, in only a few instances, has an attempt been made to arrange these data according to the ages of the persons involved with the result that the figures offer little help in the consideration of jobless youth. Here again, one encounters the additional difficulty of definition mentioned above. Many of the inquiries, too, have been restricted to particular areas or regions and there is always the doubt as to whether or not the conclusions which may be drawn are generally applicable to the rest of Canada.

A few words of explanation should be given concerning the inadequacy of available statistics. Most of the general reports on unemployment have been compiled on a basis of relief registration with the inevitable result that all those unemployed who have refused, or who have not been obliged, to apply for material aid are excluded from the completed lists. While this discrepancy may not be of serious proportions in the case of the adult unemployed, it is by no means inconsequential in a consideration of young people only, for evidence goes to show that the young men and young women who are not in a position where they or their parents have found it necessary to apply for direct relief, constitute the major proportion of the total of unemployed youth. The difficulty of compiling anything like a complete registration of employable youth throughout Canada is very apparent but the

difficulty does not, in any way, diminish the great need for such statistical data.

The Extent of Unemployment among Young People.

The Dominion census of 1931 revealed that 871,000 of Canada's 2,500,000 wage-earners were between the ages of 16 and 25 years, while almost 30 per cent. of wage-earners then unemployed fell in this age group. In September, 1936, registration figures showed that the number of young persons then receiving relief (other than those on agricultural aid)¹ was about 67,400 including a small percentage who, because of physical or mental disability, may have been partially or wholly unemployable. Of the 51,100 dependants included in this number, 36,600 were reported as never having been gainfully employed. Nor do these figures present anything like a true and complete picture of the situation, for to them must be added all those who were subsistent on farm relief, a number which (although exact figures are not available) we have reason to believe was necessarily large.

Surely here is evidence of the importance of the problem of unemployed youth. According to the last census, more than one-third of the total wage-earners of Canada fall within the age limits which we have chosen to define youth and, of those actually on relief eighteen months ago, considerably

¹Figures for young people only, on farm relief, are not available, but the total number of farm-resident dependants (both sexes, other than wives) in receipt of agricultural aid for subsistence to which the Dominion contributed as at October, 1937, was 203,866.

more than half had been idle ever since leaving school. Add to the latter the necessarily large numbers who fall in the same category but who are not dependent upon material aid, and the deplorability of the situation is very evident.

The surveys made in the Prairie Provinces in connection with the 1936 census offer some interesting data.² In this case, unemployed wage-earners were classified according to age and it is therefore possible to differentiate between youths and adults. The following table is adapted from the report of "Unemployment Among Wage-earners for the Provinces of Manitoba, Saskatchewan, and Alberta".

PROVINCE AND AGE	TOTAL WAGE-EARNERS			PER CENT.		
				NOT AT WORK		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
Manitoba, 1931	170,712	132,863	37,849	21.2	24.0	11.5
14-19 years.	19,819	11,171	8,648	19.9	23.6	15.1
20-24 "	33,665	20,212	13,453	20.4	26.0	12.0
Manitoba, 1936	158,474	120,004	38,470	19.9	22.4	12.1
14-19 years	12,899	6,642	6,257	14.8	17.6	11.8
20-24 "	30,749	17,373	13,376	17.4	21.0	12.7
Saskatchewan, 1931	145,552	116,148	29,404	19.7	22.3	9.6
14-19 years.	17,522	10,781	6,741	19.3	23.3	13.0
20-24 "	32,936	21,449	11,487	18.1	22.6	9.6
Saskatchewan, 1936	142,273	108,713	33,560	14.3	15.8	9.4
14-19 years.	15,633	8,955	6,678	11.2	12.5	9.5
20-24 "	33,138	19,965	13,173	11.4	12.3	10.2
Alberta, 1931	142,404	115,995	26,409	21.3	24.0	9.6
14-19 years.	13,590	8,227	5,363	18.8	22.6	13.0
20-24 "	28,345	18,508	9,837	18.5	23.2	9.6
Alberta, 1936	144,699	115,895	28,804	17.1	19.0	9.8
14-19 years.	11,334	6,507	4,827	11.4	12.2	10.3
20-24 "	28,454	17,567	10,887	12.6	14.2	10.0

²Dominion Bureau of Statistics, *Census of Prairie Provinces, 1936*, Bulletin No. XXIX.

This table incorporates the findings of one of the comparatively few available surveys dealing with all wage-earners over a wide area. Not only does it provide at a glance the percentage of unemployed labour, both male and female, but it shows as well the proportion of total wage-earners, both employed and idle, which may be classed as youthful workers. It should be noted, however, that these figures take no account of employers, persons working on their own account, and unpaid family workers. No attempt should be made to base conclusions upon a comparison of the figures for the respective provinces, since no account has been taken of the discrepancy between provinces in the matter of compulsory school attendance age and the average age of entry into employment. These considerations have, of course, a very vital connection with the whole youth problem.

The percentage figures at the right, which have been recorded only to the nearest tenth for purposes of easy comparison, reveal that marked reductions have been effected in the youthful unemployed during the period 1931-36. This decrease is particularly evident in the case of boys and girls in the lower age bracket. But one should not be too hasty in interpreting these figures as representing a decidedly more healthy condition. It is important to note that while unemployment among the youth of Manitoba has been decreased by 5.1 per cent. and 3 per cent. in the respective age groups, general unemployment has dropped only

1.3 per cent. The same discrepancy between the youth and adult figures is observable in Saskatchewan and Alberta. Several questions arise out of this apparent preference for young workers in the Prairie Provinces. Do these records really represent a legitimate reduction in youth unemployment? That is to say, have these young people actually been absorbed in gainful occupations or has their contribution to unemployment figures merely been deferred by their decision to remain at school in the face of existing conditions? Statistical data would seem to point to the latter as the more probable explanation. According to Dr. J. C. Pincock, Superintendent of the Winnipeg school board, increasing numbers of boys and girls are requesting that they be allowed to remain at school either to take another term in the highest grade, despite the fact that they have just passed through it, or to take up some special course of study. During the last school year in the city of Winnipeg there were 9,632 students of fifteen years and over in the schools, whereas ten years ago the corresponding figure was 5,803. Granted even that the major proportion of these young people have succeeded in locating employment, has their good fortune in locating employment been a natural consequence of youthful enthusiasm and ambition and their ability to readjust themselves to changing conditions, or has it been the result of concerted efforts to rehabilitate unemployed youth? Have they actually been rehabilitated in the strict sense of the

term in positions of reasonable financial security and promise for the future, or are they victims of circumstance, directed into blind-alley and temporary jobs in the employers' search for cheaper labour to meet the demands of the post-depression era?

Whatever may be the answer to these questions, the fact remains that large numbers of young people in the Prairie Provinces are still without gainful employment, large numbers who probably await but the opportunity to make themselves financially independent of others.

That the situation is even less encouraging in the urban centres is evidenced by the following table prepared from the report of the Dominion Bureau of Statistics, "Unemployment and Earnings among Wage-earners on Relief and Not on Relief for Cities of 30,000 Population and Over".³ This survey, also, was carried out in the provinces of Manitoba, Saskatchewan and Alberta. Unemployment figures are recorded as on June 1, 1936.

SEX AND AGE	BOTH CLASSES		ON RELIEF		NOT ON RELIEF	
	TOTAL	PER CENT NOT AT WORK	TOTAL	PER CENT. NOT AT WORK	TOTAL	PER CENT NOT AT WORK
<i>Male</i>						
All ages.	123,349	25.3	16,991	94.3	106,358	14.3
14-19 years . .	3,787	17.8	326	64.1	3,461	13.4
20-24 " . . .	14,769	22.6	1,371	89.2	13,398	15.7
<i>Female</i>						
All ages.	42,977	12.6	1,253	77.2	41,724	10.6
14-19 years. . .	4,802	13.9	229	56.3	4,573	11.8
20-24 " . . .	15,246	13.0	353	72.2	14,893	11.6

³See Dominion Bureau of Statistics, *Census of Prairie Provinces, 1936*, Bulletin No. XXX.

A comparison of the percentage figures for the larger cities with those for the provinces as a whole reveals the seriousness of the problem in the regions of concentration of population. It will be noted that the 1936 figures for Manitoba compare quite favourably, in the case of both males and females, with those of the larger cities, while in Saskatchewan and Alberta the figures are noticeably lower for the province as a whole than for the urban centres.

Two local surveys conducted in the Province of Nova Scotia are worthy of mention, in that they provide a representative picture of youth unemployment in the Maritimes. Early last year, Dr. F. H. Sexton, Director of Technical Education for the Province of Nova Scotia, carried out an occupational survey in the town of North Sydney preparatory to the establishment of a youth training programme in that centre.⁴ Dr. Sexton reports that 298 young men between the ages of 16 and 25 years were out of work and out of school in January, 1937. The investigator continues, "Of these, 53 only belonged to families who were receiving direct relief. Some had been employed for wages at odd times for short periods previously, but in almost all cases at unskilled casual labour which had given them no fitness for earning a living at semi-skilled or skilled occupations. Except for casual labour they were unemployable."

It is true that these figures are representative of only a very restricted area and for that reason it

⁴*Report on a Proposed Vocational Training Programme for Unemployed Youths in North Sydney, Nova Scotia*, by F. H. Sexton.

would be very unwise to base any sort of generalized conclusions upon them, but the fact that more than 80 per cent. of the unemployed young men of that town were not actually on relief, directly or indirectly, offers further evidence of the inadvisability of judging the entire youth problem on the basis of relief statistics.

During April and May, 1937, Dr. Richter of the Institute of Public Affairs, Dalhousie University, conducted a survey along quite similar lines in the city of Halifax.⁵ At that time the number of young people directly or indirectly dependent upon material aid reached a startling total in excess of 1,100. The survey was concerned only with young people on relief who as it was stated in Dr. Richter's report represented only a small part of the total number of unemployed juveniles. This investigation was restricted to males, married or single, and to unmarried females between the ages of 16 and 25 years. The findings revealed were of the same general character as in the case of the North Sydney inquiry. Three, only, will be mentioned here:

1. The inadequacy of the educational background that had been acquired by these unemployed young people. Only 48 out of 191 boys had proceeded as far as Grade VIII before leaving school, while more than 25 per cent. had failed to reach Grade VI.

2. Their surprising lack of skill and experience. Out of 166 young men, only 25 per cent. could name a customary occupation. Half of

⁵L. Richter, "Youth on Relief," *Public Affairs*, Vol. I, No. 1, August, 1937.

them registered as labourers, while the remainder were recorded as having no particular occupation

3. The large proportion which had been continuously unemployed, or had received only casual employment, since leaving school. Of 155 boys, from whom exact answers were elicited, 121 reported only seasonal or temporary employment.

The individual student records of schools, colleges, and various technical and commercial institutions are often overlooked as sources of invaluable information on the destiny of young people who are attempting to make their way in the world. Particularly in those schools which provide a follow-up service for their students is it possible to collect important data, for with the present system of compulsory attendance in operation in our public schools, there is little likelihood of the figures presenting anything like as incomplete a picture of unemployment conditions as in the case of relief statistics. The following is a record of pupils who left Toronto schools in the year 1936.

SCHOOL	DESTINATION OF PUPILS LEAVING SCHOOL, TOTALS				
<i>Boys</i>	OTHER SCHOOLS	EMPLOY- MENT	UN- KNOWN	UNEM- PLOYED	
Public.		642	92	194	928
Collegiates.	1,166	603	348	134	2,251
Technical	186	651	248	320	1,405
Commercial	56	387	30	78	551
Tech commercial.	101	616	214	197	1,128
Totals	1,509	2,899	932	923	6,263
<hr/>					
<i>Girls</i>					
Public		469	146	422	1,037
Collegiates	1,091	216	258	155	1,720
Technical	108	143	179	160	590
Commercial.	118	547	85	295	1,045
Tech. commercial	130	495	208	318	1,151
Totals.	1,447	1,870	876	1,350	5,543

Disregarding those who proceeded to other schools on the assumption that most of them did not desire employment, it will be noted that almost 20 per cent. of the boys and considerably more than 30 per cent. of the girls who left Toronto schools in search of a job were definitely registered as unemployed. It is reasonable to suppose that these estimates would be very substantially increased from the large numbers of boys and girls who were listed as "unknown", for the possibility of registering young people is much greater if they are employed than if they are not. Nor do these figures take into account those persons who will doubtless be subsequently unemployed from among the groups who proceeded to other schools, although it is quite probable that these percentages will prove to be much lower than in the former case.

Our problem may be considered more comprehensively by a study of the data compiled from a questionnaire sent out to 57 schools throughout the country. Similar information to that recorded in the Toronto survey was obtained in this inquiry, but the results are much more widely representative and they cover a three-year period. The findings of this investigation follow.

DESTINATION OF PUPILS LEAV- ING SCHOOL	1933-34		1934-35		1935-36	
	GRAD'S.	NON- GRAD'S.	GRAD'S.	NON- GRAD'S.	GRAD'S.	NON- GRAD'S.
Other Schools..	1,449	1,022	1,580	1,488	1,484	1,965
Employment...	1,104	1,640	1,336	1,886	1,462	2,570
Unemployment.	642	979	604	1,341	723	1,767
Unknown. . .	2,006	6,042	1,626	5,651	2,173	5,691
Totals.....	5,201	9,683	5,146	10,366	5,842	11,993

Again, for purposes of percentage calculations, the pupils who proceeded to other schools will be disregarded on the same basis as in the preceding survey. It should be noted, however, that this procedure is open to some question since many of these students doubtless sought employment and continued their education because of their inability to find it. But it is of course impossible to estimate the number who fall in this class. Of the remaining pupils recorded from the 57 schools in question, considering the graduates and non-graduates as a single group, approximately 13 per cent., 16 per cent. and 17.5 per cent. were listed as unemployed in the three successive years. Attention is called to the fact that, while relief rolls were being reduced, unemployment among young people of school-leaving age, at least on a basis of the present survey, was actually on the increase. The same comments apply as in the case of the Toronto inquiry, but it is important to note that the proportions registered as "Unknown" are very much larger than before, comprising as they do about one-half the total each year. If data were available on these pupils, they would no doubt account for a very considerable increase in the unemployment figures and the percentage values would more nearly approach those for the Toronto area.

In the Fall of 1934, the Board of Directors of the Montreal Y.M.C.A. decided to conduct a survey of the situation of boys who had left the high schools of greater Montreal during the years 1931 to 1934,

with special reference to the effects of the financial depression upon the opportunities for employment. The Report of the Special Committee^a appointed to carry out the enquiry, offers some interesting and instructive information on the problem under discussion. The statistical results of the survey are based upon alternate names selected from a list of some 1,800 boys who left four representative Montreal high schools after completing one or more years of work. Of these 900 young men, all but 10.8 per cent. were contacted by the committee and follow-up information was obtained from them. The table below, taken from the Report, shows the experience of these high school leavers as evidenced by the representative selection.

EXPERIENCE OF BOYS LEAVING HIGH SCHOOL DURING
YEARS 1931-1934

(AS AT JANUARY, 1935)

HIGH SCHOOL	EMPLOYED			CON- TINUING UNEM- EDU- PLOYED CATION	LEFT THE CITY	COULD NOT BE TRACED	TOTAL BOYS	
	PERM- ANENT	TEM- PORARY PART TIME	TOTAL				%	No
	A	B	C	D	E	F	G	H
	%	%	%	%	%	%	%	
Westmount...	40.6	3 5	44.1	41 9	4 8	4 8	4 4	100 450
Strathcona...	46.0	2 6	48.6	31 2	6 9	3 8	9 5	100 392
West Hill....	47 0	4 4	51.4	23.2	9.1	3.3	13.0	100 619
Verdun . . .	43 8	6 5	50.3	7 1	21 3	4.1	17.2	100 345
All Boys.....	44 5	4 2	48 7	26 6	9.9	4.0	10 8	100 1,806

As recorded above in connection with the Ontario surveys, due consideration must be given to the numbers who could not be traced in attempting to

^aReport to Metropolitan Board of Directors of the Special Committee Appointed to Study the Effects of the Depression upon Boys Who Have Left High School, Montreal, Y.M.C.A.

draw conclusions regarding the percentage actually unemployed. To quote from the Report: "It is probably true that could all the boys have been reached, the unemployment figures in column E would have been disproportionately affected, since the percentage of unemployment among those whose addresses could not be traced would be greater than among those with whom contact was established. Doubtless the chief reason why these families could not be traced, if it were known, would be financial difficulties caused by the depression." Furthermore, it should be noted that "permanent employment" includes all those young people who reported regular, full-time work at the time of inquiry and no account was taken either of the quality of the employment or the future prospects which it offered.

Much of the significance of the findings provided by this survey will be lost if the reader fails to keep in mind that the figures have to do only with high school pupils who, according to the Report, constitute "a minor proportion (probably not more than one-third) of the total juvenile male population. Boys who have had some high school education are a relatively privileged group and the amount of unemployment among those who did not go to high school at all may well be much greater."

Two recommendations stand out among the special needs disclosed by the inquiry: the necessity of increased vocational guidance and training facilities and the provision of additional recreational

outlets for indigent Canadian youth. The committee further urges a growing community interest in the whole problem of "the plight of youth" which has become "a matter of national importance".

Causes Contributory to Youth Unemployment.

To a large extent the causes which have created the Canadian unemployment problem and which have been fully discussed in other chapters of this book, are also contributory to unemployment among youth. When large industries have to reduce their production and are compelled to discharge experienced workers who have been in their service for many years, there will be little chance for juveniles to find jobs in that industry. That the United States since the beginning of the depression have conserved their labour market for their own citizens, means a great loss of employment opportunities for young Canadians. This applies especially to the youth of the Maritime Provinces who, as immigration figures for the half century prior to 1930 show⁷ crossed the border in large numbers, many of them attaining important positions in the United States. But from all these causes adults and juveniles suffer alike and in this chapter only those factors will be considered which seem particularly to affect young people.

One of the most important among them is the lack of educational and training facilities necessary to fit the young people for some form of occupation.

⁷M. C. McLean, "The Mobile Nova Scotian", *Public Affairs*, Vol. II, 1, p. 6 ff.

Certainly, a great deal has been done during recent years to correct this need for technical and vocational instruction but even now thousands of boys and girls are being turned out annually from schools all over this country—boys and girls who are essentially non-academically inclined, but who are afforded little opportunity to develop their practical aptitudes and abilities. Only a small fraction of our school populations, considerably less than 5 per cent. in fact, ever reach a university or an advanced technical institution. As for the remaining 95 per cent., while it is true that increasing numbers are finding their way into business colleges and other institutes of training, for the major proportion their formal education is complete when they leave the secondary (or elementary) school and they become dependent for their livelihood on business or on industry, on the farm, the mine, the forest, or the sea. There comes, as it were, for each and every school student a veritable "parting of the ways". On the one hand lies the avenue of the professional man and the specialist; on the other, the way of the servant of industry, business and finance.

What have these two ways of life in common in the matter of previous training and educational experience required? To be sure the demands of citizenship and social responsibility make it imperative that no one be denied at least a rudimentary academic training, but beyond this fundamental requirement, the two ways have little else in

common. The world which greets the practically-minded worker when he leaves school bears little resemblance to that which welcomes his more scholarly contemporary.

Yet, in the vast majority of cases, our young people encounter the "forked road" on "common ground". Particularly is this true in the Maritime Provinces where not more than the beginnings of vocational education have been established, where it is hardly an exaggeration to classify secondary schools generally, as has so often been done in the past, as a training ground for the university. When one considers the comparatively small number of students who actually continue with university training, the inadequacy of such an educational policy is markedly evident. Let there be no misunderstanding on this point, for the writer refuses even to anticipate the day when the Canadian people will have so lost sight of life's finer values—will have become so thoroughly utilitarian—that they will look upon secondary education as a mere conditioning period to serve the demands of business and industry. The ultimate aim of the secondary school is, and should continue to be, the training of citizens—happy, productive citizens, capable of living the complete life and worthy to take their place in the society of which they are a part. But how remote is the hope of accomplishing this purpose while the larger proportion of our young people—certainly the vast majority of those who are denied the advantages of a university or tech-

nical career—are obliged to leave school ill-equipped and unprepared to establish themselves in gainful occupations!

There is no gainsaying the fact that youth unemployment would be appreciably reduced if facilities were made available for the proper training of young people. Time was when they might apprentice themselves to their chosen trade or vocation and thereby acquire the skill necessary to carry on, but not so today. Modern methods of production do not lend themselves readily to the apprenticeship system and employers are not particularly interested in prospective employees who are not prepared to take over the work and begin production at a reasonably high level of efficiency. They are insistent in their demands for skill or experience, or both. To which the young man replies, "I cannot obtain work without experience—but I cannot get experience without work."

There is in Canada at the present time unmistakable evidence of a shortage of skilled labour. Numerous vocational surveys, employment investigations, and occupational inquiries have served to corroborate this shortage. On the other hand, results of surveys just as numerous, having to do with youth unemployed and youth on relief, have demonstrated the difficulty, if not the impossibility, of absorbing these young people in the skilled and the semi-skilled trades without first providing them with the necessary instruction and training. Dr. Sexton's observation in the report of his survey in

North Sydney,⁸ "Except for casual labour, they were unemployable", is widely applicable to the youthful unemployed. In short, lack of suitable training facilities is responsible, in no small part at least, for the present problem of unemployment.

Closely associated with the lack of technical and vocational instruction is the great need for organized programmes of vocational guidance. How few boys and girls of school-leaving age have any detailed knowledge of the great variety of occupations to which they may turn in their search for employment. How few, too, are provided with the accurate and scientific advice so necessary in their choice of a vocation to which they are physically, intellectually, and temperamentally adapted. The result is that thousands of young people are finding their way into positions for which they are ill-fitted and ill-equipped or into "blind-alley" jobs which offer little or no promise of the economic security which they so ardently seek. Business and industry is cluttered with "round pegs in square holes". The young man who finds himself so unfortunately situated has but one of two courses to follow: he must worry along at seriously reduced efficiency, at employment in which he experiences little of interest and personal satisfaction, or he must give up his position and seek another to which he is more closely adapted. It may be said that this condition does not appreciably affect the percentage of unemployed but it is equally true that if the

⁸See footnote 4.

condition were removed (as it may be in large measure by the provision of adequate facilities) much of the chaos which at present prevails among employable youth would be eliminated, the efficiency of the worker would be greatly improved, and the employer would be better satisfied.

But there is still another reason for this apparent discrepancy between unemployment and available opportunity. It is very doubtful whether this problem would reach any permanent and satisfactory solution even if, by some fortunate turn of events, sufficient jobs were made available to absorb all those at present unemployed. The Maritime Provinces for instance are, as they always have been and doubtless will be for a long time to come, basically dependent upon the primary industries. Consequently, it is to be expected that whatever programmes of rehabilitation may be instituted in these provinces, they will be unavoidably associated, at least in large measure, with mining, fishing, lumbering, and agriculture.

It would be no overstatement of the facts to say that the youth of today are being held out of these very occupations by the conditions which prevail therein. The mere creation of opportunities within these industries carries no certain guarantee of a solution to the unemployment problem. Long hours of labour, low wages, seasonal lay-offs, and insecurity for the future seem to be the inevitable lot of those who turn to these occupations in search of a livelihood. Added to this is the striking lack of

community respect paid to those persons who are dependent upon these same occupations. Urban populations are losing sight of their indebtedness to the primary producer with the result that they are coming to look upon him with an attitude of pity rather than a feeling of pride. Is it any wonder then that parents and teachers generally hesitate to advise young people to consider the primary industries in their choice of a life work? Few farmers today—few fishermen today—desire to see their sons follow along their own precarious way. At least this does seem to be a prevalent attitude of parents engaged in primary pursuits in Eastern Canada. And in so far as young people are being discouraged by prevailing conditions from accepting available opportunities in these fields, to that extent are those conditions contributory causes of unemployment.

No discussion of the underlying causes of youth unemployment would be complete without at least a brief consideration of the general attitude of the young people themselves, and that of their parents, in so far as this attitude may aggravate or intensify the problem. While it is not possible to give anything like a complete analysis of what may be called the personal side of the question, there are a few points which certainly cannot be overlooked with impunity. Three only will be considered; these we have chosen to refer to as:

1. The unwillingness of youth to begin at the bottom and provide themselves with a thorough and detailed knowledge of their work.

2. The desire of parents to place their children in the best positions, regardless of their limitations.

3. The adherence to an abnormally high standard of living.

At the very outset it should be understood that these comments refer to parents and children in general and the effort will be to describe growing tendencies rather than to criticize any specific weakness or defect.

In the first place, increasing numbers of our young people are demonstrating their unwillingness to tread the lower rungs of the business or industrial ladder. Not that they may be said to be lacking in either ambition or initiative, but they see little justification for the necessary formality of an early apprenticeship period. This is particularly true of those who have been fortunate enough to receive some measure of previous training in their chosen vocation. Again and again employers referred to this growing tendency in the course of a brief industrial survey which the writer was privileged to conduct recently in the city of Halifax.⁹ Their great difficulty, they said, with the young people who come to them seeking employment is to impress upon them the necessity for a period of learning, in order that they may become acquainted with the methods and the routine operative in the particular office or department in which they are to take their place. Employers went on to point out

⁹"Where Youth May Look for Employment", by the author, *Public Affairs*, Vol. I, No. 3, March, 1938.

that the youth who is prevailed upon to serve what appears to him to be a meaningless apprenticeship will seldom work at the level of efficiency of which he is physically and intellectually capable.

Concerning the general attitude of parents, as it contributes to the difficulty of the unemployment problem, two points come rather forcibly to mind. Of the first of these, namely, the growing disregard of the primary industries in the choice of a vocation for their children, little need be said for, as has been stated above, this disregard will continue to be evident until conditions within these industries are measurably improved. But since the responsibility for the second phase of the question rests largely with the parents themselves, it merits somewhat closer deliberation. Reference is made to the continued refusal of parents to recognize the limitations and the shortcomings of their children—physical, intellectual, and social. Naturally it is the desire of most fathers and mothers to set the feet of their children in a way of life which will provide for the young people the maximum of personal satisfaction and material success. But parents would do well to realize that there is little of either in store for the young person who is engaged, day by day, in employment for which he is ill-adapted and poorly equipped. A successful machinist has a much greater chance for happiness and presents a far more impressive spectacle than an executive failure. Parents who urge a child into a vocation in complete disregard of the physical, intellectual, and

temperamental qualities demanded by that vocation, are playing false not only to the youth but to his employer as well.

Still a third influence, which is making itself increasingly felt in our day and which is constantly barring young people from the primary industries and lesser vocations, is the desire of these young people to establish themselves on a standard of living which is not in keeping with our industrial and economic development. Canadian expansion since Confederation—the economic successes experienced by their fathers and mothers—the rapid rise in living standards since the beginning of the present century—the example set by our American neighbours—an unshakeable faith in democratic principles—all these and many other influences have been at work to engender in Canadian youth a firm belief that national and individual progress are the certain results of some natural and unalterable law. Not that it may be said that we have laid too much stress on the virtues of self-reliance, perseverance, and devotion to duty, but it would nevertheless seem that we have overstressed the importance of the material rewards which supposedly accompany the practice of these virtues. The result has been that our young people have gradually lost what might be called, for want of a better term, the “pioneer spirit” and in its place has grown up an outlook that is undeniably materialistic. Too many young Canadians have misinterpreted that maxim of democracy, “an equal

opportunity for all", and have taken it to mean rather "to all—equal rewards". Hence the general devotion to a standard of living which the present stage of our national development is finding increasingly difficult to maintain. There is real need for a redistribution of the values put upon material things and the setting up of a new criterion for personal success.

Effects of Idleness upon Youth.

The man of middle age, unsuccessful in his repeated attempts to secure some form of gainful occupation, presents a sorry spectacle. Yet how much more tragic is the picture of youth, denied the privilege of performing some useful function in society. Enforced idleness at any age must exact its toll in human suffering, both mental and physical, yet how much greater must be this suffering in the case of the young man at the very threshold of his productive life. Probably nowhere else than in the age-bracket which we have chosen to define youth are the effects of continued unemployment likely to be more disastrous.

For decades past, young Canadians have been accustomed to look out upon life with high hopes and justifiable enthusiasm. Their faith was unshakeable in the future of this great new country and they were convinced that economic security was the sure reward of industry and devotion to duty. Here was a new and expanding nation which provided room for everyone and each had the same

opportunity for promotion and ultimate success—success which was measured only by the individual effort expended. But the past seven or eight years have witnessed great changes in the opportunity offered to the youth of school-leaving age. It is true that the difficulties which face the school-leaver of today are not as great as they were at the depth of the depression era, but returning prosperity has not been accompanied by a renewal of the old order of things and every year thousands of our young people leaving school are faced with disillusionment and defeat.

Increasing numbers of pupils still at school are anticipating the difficulties which lie ahead of them and are perhaps the better prepared, as a result, to meet the problems which will face them in after years, but the damaging effects on youthful *morale* are just as evident whether this awakening occurs before or after leaving school. It may be said that it is in the face of just such circumstances as these that character and self-reliance are engendered, but the obstacles appear so unsurmountable—so inerasable—the whole situation seems so hopeless to the necessarily immature vision of youth, that the opposite effect is most often produced and the eventual attitude is one of desperation and despair. Particularly is this true of the young man or young woman who has experienced a long-continued period of idleness.

Nor should the retroactive influence of this outlook be passed by unnoticed. This frustration of

human hopes and ambitions, this seeming waste of individual effort, is making itself felt in the schools of this country even among those students who, in the natural course of events, may have little to worry about on leaving school but who may readily find their way into employment where they will experience happiness, personal satisfaction, and success. The prospect of eventual unemployment does not make for diligence and enthusiasm in the work of preparation. There is a definite attitude of *laissez-faire* finding its way into our schools which is directly traceable to the failure of others to make their way in the world. It is not uncommon to encounter students who are apparently careless and disinterested in their work and who consistently fail classes with a minimum of compunction and remorse. When they are brought to task for their inattention and neglect, the answer elicited is often along these lines: "Why should I speed the day of my graduation? Why should I dissipate my energies in the accomplishment of a task which holds so little promise of reward for the effort involved?" Nor are these the fanciful imaginings of a cynic mind—they are actual observations based upon teaching experience in secondary schools.

But there is still another influence at work which is largely accountable on a basis of youth unemployment. There are in our schools at the present time hundreds, yes, thousands, of boys and girls who remain there for the sole reason that they have nowhere else to go. In the majority of cases, they have neither the interest, the aptitude, nor the

intellectual equipment to succeed in the work which they are supposedly attempting to do. Most of them are considerably more advanced in years than their associates of the same scholastic standing with the result that they quickly acquire a distorted sense of inferiority. They are victims of circumstance who normally would be out in the world performing some useful function in the community, and happy in its accomplishment, and their presence in the schoolroom is in fairness neither to themselves nor to their classmates. They have reached, or by forced grading surpassed, their scholastic limit, and they constitute a hindrance and a demoralizing influence to their younger and more fortunate colleagues. Their presence in the school is often justified on the grounds that they are better there than idling about the streets. Which is quite true, but that does not alter the fact that if suitable employment and adequate training facilities were available they would automatically take their deserved and proper place.

Now to return to those who are actually unemployed. There is no need to emphasize the decline of self-respect, the disregard of individual responsibility, and the lowering of the general *morale* which are the inevitable results of lengthy periods of unemployment. Suffice it to say here that interest and enthusiasm wane rapidly over an extended experience of frustration and defeat. The longer the period of unemployment, the less employable the youth becomes. One often hears the comment that it is a hopeless task to think of finding jobs for

these young people for the simple reason that so many of them are seeking work and hoping they will not find it. All of which may be quite true (the results of numerous surveys and the reports of various relief organizations have drawn attention to this condition) but the question remains whether this attitude which has grown up among unemployed young people is the result of a natural, persistent instinct or whether it is not an outgrowth of their own environment. Youthful enthusiasm is soon smothered in an atmosphere of idleness and dole. But the desire for self-expression—the will to become self-dependent—are natural attributes of youth. Large numbers of those who must now be classed as practically unemployable have been reduced to that state by weeks and months of a futile search for employment.

Nor should it be thought that this attitude of discouragement is by any means the most serious consequence of present unemployment conditions. Deny youthful zeal a normal outlet and it will expend itself in abnormal directions. Hundreds of our young men, and even our young women, are turning to the road as a palliative to their growing discontent. Our highways, our railways, our hostels, and even our jails are cluttered with these youthful wanderers. At the outset, many of them doubtless justify their change of life on the basis of a search for employment which they are unable to find at home, but weeks and months of vain searching and continued frustration takes its inevitable toll and they become homeless drifters and eventu-

ally confirmed tramps. The seriousness of this single phase of the problem is amply dealt with in another chapter of the present work.

Not alone are these young people denied an opportunity for self-expression and productive endeavour but they are, at the same time, obliged to forego those personal functions which should be the right of every normal individual, namely, marriage, the rearing of children, and the establishment of a home. The removal of these privileges may easily lead to serious consequences—among them deferred marriage or subsistence at a drastically reduced standard of living, an increase in extra-marital relationships, a rise in illegitimacy, and a general lowering of the moral standards of youth. While statistical evidence is available to show that these effects are being felt throughout Canada, it is of course impossible to appraise the extent to which unemployment is directly responsible for these conditions. It will be sufficient merely to point out the tendencies of the times and the reader will be left to assign his own reasons for the new standards which are being established.

The effect of depressed conditions upon the marriage rate is clearly shown in the following table of the Number of Marriages in Canada (1926-36) exclusive of Yukon and the North West Territories.

YEAR	NUMBER OF MARRIAGES	YEAR	NUMBER OF MARRIAGES
1926	66,658	1932	62,531
1927	69,515	1933	63,865
1928	74,311	1934	73,092
1929	77,288	1935	76,893
1930	71,657	1936	80,904
1931	66,591		

The decrease in total marriages is equally observable in the case of each province separately. It may seem, judging by the excessive figures recorded for 1936, that deference of marriage has ceased to be a matter of serious concern but it is to be expected that, in the readjustment of such a condition with the return of economic prosperity, an abnormally rapid increase would result. Unfortunately, subsequent figures are not available to show the leveling-off influence which has doubtless been operating during 1937 and 1938. The findings of a survey recently conducted by the Ontario Young Men's Council of the Y.M.C.A.¹⁰ provide some valuable information on this question of marriage postponement. The conclusions are based upon 184 answers received from approximately 1,000 questionnaires sent out to ten local Y.M.C.A.'s throughout Ontario. While the inquiry was quite limited in its scope and while very few of the young men were actually unemployed at the time, nevertheless the observations made by them throw some very interesting light on the problem. It should be noted that the age limits in the present survey do not strictly conform with those which we have arbitrarily chosen to define youth. Since, however, 170 out of the total 184 were 28 years of age or under, it will be seen that the disagreement in age is not of serious import. All were unmarried at the time of the investigation.

¹⁰*Youth's Eye View of Some Problems Connected with Getting Married*, prepared by the Ontario Young Men's Council of Young Men's Christian Associations, 40 College Street, Toronto, Canada.

One question contained in the questionnaire was concerned with the adequacy of income for marriage. The young men answering the question were divided into two groups: those planning and those not planning marriage. Of the first group only 12 considered their income sufficient for marriage, while 43 answered in the negative, and in the second group the ratio was 8 to 121.

The preponderance of negative answers, especially when one considers that the subjects of this inquiry were for the most part gainfully employed, is very significant. Actually, when questioned concerning the "factors preventing marriage", 83 gave insufficient income as the chief reason, while 38 others cited it as an important reason. If the possibility of marriage seems so remote to members of this group, over 80 per cent. of whom had positions at the time, how much more hopeless must be the situation which faces the unemployed youth of today!

Evidence of the irregularities and excesses which accompany any such widespread deference of marriage is presented by the same investigation. To quote from the report: "There are, broadly speaking, three courses which young people may follow in attempting to reach a solution of their problem. These are (1) To marry and set up a home on a drastically reduced standard of living, (2) To postpone marriage and remain continent, (3) To postpone marriage and enter into extra-marital sexual relationships." That increasing

numbers of young people are adopting the latter course as an answer to their problem is disclosed by the summary of answers to the question, "Judging by the young people of your acquaintance, would you say that irregular sex relations are on the increase at the present time?"

BELIEVE IRREGULAR RELATIONS

Increasing	85
Decreasing	4
No change	56
Not increasing. . .	11
Not known....	10

It is important to note that, out of 81 whose expressed opinion affirmed an increase in extra-marital intercourse, 64 cited financial conditions as the chief reason, while 17 only attributed this increase to one or other of twelve additional, legitimate causes.

That the attitude of young people is changing in matters pertaining to sex and that there is in process a general lowering of the traditional standards of sexual morality, would seem to be evident from the following opinions elicited from the same group:

RELATIONS ARE CONDEMNED

Strongly	38
Moderately.....	28
Little or not at all.....	58

Additional proof of the increase in extra-marital relationships is provided by the illegitimacy figures which show marked increases over the past ten years. The following table registers the Number of Illegitimate Births in Canada (1926-1936) not including Yukon and North West Territories.

YEAR	NO. OF ILLEGITIMATE BIRTHS IN CANADA	YEAR	NO. OF ILLEGITIMATE BIRTHS IN CANADA
1926	6,121	1932	8,460
1927	6,715	1933	8,426
1928	7,280	1934	8,070
1929	7,516	1935	8,344
1930	8,059	1936	8,633
1931	8,365		

Complete figures for the separate provinces show an increase in each case, over the ten-year period, varying from 5.8 per cent. for the province of Manitoba to 94 per cent. in the case of British Columbia. It must be remembered that these figures represent the total of illegitimate births and that it is quite impossible to determine to what extent youth alone is responsible for this alarming increase, which for Canada as a whole amounts to more than 40 per cent. over the ten-year period. On the other hand, if one considers the ever-increasing knowledge of the methods and practice of contraception and birth-control which is coming into the possession of our young people (the Y.M.C.A. investigation provided evidence of this), these figures may not be as unfair to youth as they at first appear.

In addition, idleness leads to an inevitable increase of crime. The seriousness of this phase of the problem was recently referred to by Warden Lawes of Sing Sing Penitentiary who pointed out that idleness, which formerly occupied fourth place as a contributory cause of crime, has gradually moved up until it now occupies undisputed first place. Ever-increasing numbers of young people are turning to robbery, thievery and petty burglary

as a possible solution to their economic difficulties. The frustration of youthful hopes and ambitions, accompanied by long periods of unemployment, gives rise to an abandonment of the sense of social responsibility and the traditional standards of right and wrong. The accompanying figures, taken from the *Statistics of Criminal and Other Offences* compiled by the Dominion Bureau of Statistics, confirm the growth of this tendency among Canadian youth.¹¹

CONVICTIONS BY AGE GROUPS, 1926-1936

Year	BURGLARY, SHOP AND HOUSEBREAKING		ROBBERY	
	UNDER 21 YEARS	21 YEARS AND OVER	UNDER 21 YEARS	21 YEARS AND OVER
1926.....	1,216	859	72	149
1927.....	1,509	992	56	114
1928.....	1,665	1,101	80	145
1929.....	1,679	1,591	50	209
1930.....	2,358	1,854	146	289
1931.....	2,594	2,026	257	411
1932.....	2,547	2,209	159	279
1933.....	2,604	2,297	112	306
1934.....	2,690	2,229	109	282
1935.....	2,561	2,181	125	311
1936.....	2,812	2,690	104	254

Unfortunately the age-grouping does not admit of a separation of those between the ages of 21 and 25 years from those over 25 years of age but it is improbable that the rate of increase in this youth group would depart very appreciably from that recorded in the lower age bracket. In the latter category, that is, under 21 years of age, the increase in the number of convictions for burglary, shop and housebreaking between 1926 and 1936 reaches the

¹¹From the *Sixty-first Annual Report of Statistics of Criminal and Other Offences for the Year Ended September 30, 1936*, Dominion Bureau of Statistics, Judicial Statistics Branch.

alarming figure of more than 130 per cent. Over the same period, robbery convictions have grown by almost 45 per cent. That this abnormal increase in crime conditions is directly traceable, at least in part, to unemployment is amply evidenced by the rapid rise recorded in both categories about 1930 or 1931, just at the time when Canada was experiencing the greatest burden of economic depression.

Finally, it is in the mind of the idle man that the seeds of subversive doctrines are most easily sown. Rooted in his discontent, watered by frustration and defeat, nurtured on his lack of confidence in a political order which has denied him the opportunities which he considers to be justly his, these seeds find ready growth, only to blossom into mature political and social convictions in exact opposition to the ideals of that democracy of which he is a part. The Honourable Norman Rogers gave evidence of this danger when he referred to the Government relief camps (since disbanded) as an ideal forum for the dissemination of Communistic dogma. Fortunately the growth of Fascism and Communism in Canada has not yet reached menacing proportions. We have been annoyed from time to time, it is true, by local demonstrations, lesser riots, and the disruptive efforts of radical agitators. But let us not be victims of our own over-confidence. The rapidity with which existing political institutions may be overthrown has been amply demonstrated in those countries where unemployment,

with all its attendant disillusionment and suffering, was most widespread. Youth—particularly idle youth—is quick to adopt the catch-phrase of the political propagandist. On the other hand, riots, anarchy, and rebellion find little place in the lives of well-fed and contented workers. At least let it not be said that unemployment among the young people of Canada is destroying their faith in democratic institutions and democratic ideals.

Youth Training Projects.

Following the Dominion-wide survey of the National Employment Commission and the subsequent reports and recommendations of its advisory committees in which the Commission stressed the immediate need for constructive measures to increase the employability of young people, the Dominion and provincial governments were instrumental in launching many excellent projects designed to alleviate the problem of unemployed youth. While it would be quite impossible, within the limits of the present section, to give anything like a detailed account of the various programmes which have been instituted in the separate provinces, an attempt will be made to briefly survey the situation as it exists at the present time and to appraise, as far as possible, the results that have already been accomplished.

In April, 1937, the federal government set aside \$1,000,000 to be used for training and development projects for unemployed young people. About two-

thirds of that amount was allocated to Ontario and the Western Provinces while the remainder was made available to Quebec and the Maritimes. It was understood that the entire amount was to be expended during the fiscal year ending March 31, 1938, and that, in addition to providing a sum equal to the grant provided by the Dominion, each province was to bear its own administrative costs. It was further stipulated that, wherever possible, existing facilities be used and the fullest possible co-operation obtained from local organizations, both public and private.

The vote carried with it certain specifications as to the type of projects to be provided. These were divided into four main categories as follows:

1. Training projects of an occupational nature.
2. Learnership courses in industry.
3. Work projects to combine training with conservation or development of natural resources.
4. Physical training projects to maintain health and *morale*.

These projects were open to all young people, 18 to 30 years of age, not gainfully employed and in necessitous circumstances. The selection of those participating was made by the province, subject to Dominion approval, without discrimination in the matter of racial origin, religious beliefs, or political affiliations.

By November, 1937, agreements were signed by all the provinces providing opportunities for

approximately 30,000 young men and women. Advisory committees, composed of interested individuals representing employers, labour, educational authorities, women's groups, youth organizations, etc., have been established in many localities to assist in carrying out the various projects. Vocational guidance has been provided for young people prior to their entering on a course of occupational training as have facilities for their recreation, physical education, and other group activities whenever possible. Stress has been laid on the placing in employment of those who satisfactorily complete a course of training, and special officers have been appointed to obtain the co-operation of employers in placing trainees and to help industry to train apprentices and learners. Where young people attend a course of instruction away from home, provision is made for the payment of a weekly living allowance. In order that young people may know of the opportunities available and that the fullest public support may be obtained for the plans, the programme has been afforded extensive publicity.

Each province has adopted those projects which seem best to conform with local conditions and to provide for its specific needs. In Ontario, Quebec and Manitoba there are plans to assist in the training of apprentices and learners in industry. Nova Scotia, too, has adopted this plan in a few localized areas. Initially, a canvass of employers was made to determine those who are willing to take on young

people and train them in specific trades or occupations. Industry is relieved of the cost of instruction either by providing special classes or, in those occupations where class instruction is not necessary, by paying a sum per week to the industry to meet the cost of instruction on the job. The sum provided and the period of payment are determined by the nature of the occupation. No subsidy, however, is paid to productive wages and there are safeguards to prevent overcrowding of trades and the displacement of older workers. Every province also has plans for providing occupational training for urban young people, either in technical schools or other centres to fit them for employment when the opportunity offers.

During the summer and Fall of 1937, over 1,300 young men were trained in forestry work on Crown Lands in New Brunswick, Ontario, Manitoba and British Columbia under the direction of Forest Service officials. Class instruction in related subjects was provided in most of the camps as well as organized recreation. Valuable work has resulted in conserving and developing the forest resources. Similar projects for winter training were sponsored in Prince Edward Island, Quebec, Manitoba, and Alberta for about 400 men. New Brunswick also offered summer training in surveying, prospecting, and hand drilling.

Nine training projects are part of the programme in Nova Scotia, Quebec, Ontario, and British Columbia for about 600 men. In the latter province,

training was given in placer mining at specially established camps followed by several months supervised prospecting in small groups with grubstakes provided by the project. In Ontario, the training is technical in nature, being provided in a six-months course at the Haileybury School of Mining. Both Quebec and Nova Scotia provide a practical course in hard-rock mining in a gold mine operated by the province with a nucleus of skilled miners and under the supervision of qualified mine operators. A certain amount of time each week is devoted to class-room instruction. All prospective trainees are obliged to undergo a thorough medical examination and only those who are found physically fit for work in the mines are admitted to the course of training.

Courses of training in farming and agricultural subjects are being given in every province with the extension departments of the universities co-operating with the Provincial Departments of Agriculture. In New Brunswick, Ontario, and Alberta, provision is made for placing over 700 selected young men from urban centres as farm apprentices with the best farmers in the province, who agree to instruct them in the various phases of farm work, while class-room instruction is also provided in special courses wherever possible. Assistance is also being given to selected young farmers in Prince Edward Island, Nova Scotia, New Brunswick, and in the Prairie Provinces to enable them to attend winter

courses in agriculture at schools and colleges. Special attention is given in the Maritime Provinces and Quebec to instruction and leadership in rural co-operatives.

A variety of opportunities is provided for young women. Schools for training household workers have been established in some two dozen cities, representing all provinces, where a three-months intensive course is given, accompanied by a placement and follow-up service. In many of these schools, the girls live in residence. Training is given in other specialized forms of work for women and in rural districts in all provinces courses of instruction are provided in home economics, appropriate farm subjects, handicrafts, health, etc.

In British Columbia and Quebec there are definite projects for providing physical education, recreation, and group activities for both young women and young men. British Columbia occupies a unique position in this work where the plan is province-wide and under the direction of the Department of Education. In Quebec it is confined to the cities and is carried on in co-operation with various private organizations.

During the fiscal year 1937, more than 55,000 needy young Canadians availed themselves of the Dominion-Provincial youth training facilities. The following table from the *Labour Gazette* of June, 1938, shows the distribution of trainees according to provinces.

	MEN	WOMEN
Prince Edward Island	457	460
New Brunswick	770	361
Nova Scotia	300	132
Quebec	13,542	6,853
Ontario	1,586	1,330
Manitoba	3,893	3,255
Saskatchewan	5,471	3,468
Alberta	2,589	1,568
British Columbia	3,693	5,729
	<hr/> 32,301	<hr/> 23,156

In considering those who obtained work either directly or indirectly, as a result of training obtained under the plan, it is important to remember that large numbers received training of a nature not specifically designed to lead to employment. For example, thousands of these young men and women were provided with recreational and physical training facilities which, while of great value in restoring and maintaining health and *morale*, do not lead directly to gainful occupation. Of the total number who were trained, only about 14,650 finished courses of a character to fit them for employment and, of these young people, approximately 22 per cent. were successful in locating work.

For a more complete discussion of the working of the plan and the various recommendations based upon experience gained, the attention of the reader is directed to the *Final Report of the National Employment Commission*. Concerning the two main phases of the work of training which fall within the Commission's purview, namely, rehabilitation and permanent training measures, the Report has this to say: "Although the recommendations respecting

rehabilitation of older groups have not yet been put into effect, the operation of the youth training schemes, while handicapped by the lack of an adequate administrative field organization, has demonstrated their value and provided some experience upon which permanent schemes for training and rehabilitation of unemployed workers can be framed."

The Commission, in its Report, points to the urgent necessity, during future periods of unemployment, for the early introduction of effective measures to "prevent necessitous young people from losing their *morale*, and to ensure as far as possible the maintenance of the skill, physique and *morale* of the older group" as well as "opportunities for youth to be fitted into industrial life". Special attention is given in the recommendations of the Commission¹² to the establishment of apprenticeship and learnership programmes, the latter term being used to designate "relatively short training courses to help in broadening the work-experience of the mass-production worker in order to make him more than a 'one job' man. Under the plan, provision would be made for the appointment of vocational officers to co-operate with technical and secondary schools and, as far as possible, the training programme would interlock with provincial vocational education. The Commission also proposes the periodic revision of school curricula in order that the work of the school may be kept in step with the practical requirements of industry.

¹² *National Employment Commission, Final Report*, page 40.

Every one of the projects outlined above constitutes a logical and progressive step toward the relief of the present problem of unemployed youth. Each phase of the programme is accomplishing, in small or large measure, the purpose for which it was set up, namely, the provision of guidance and training for young people now unemployed and, as far as possible, the placement of them in some form of gainful occupation. Nor are the physical and recreational needs of these boys and girls being overlooked during their period of training. The Dominion and provincial governments, our universities, colleges and schools, as well as the large number of public and private organizations and individual workers who have been responsible for the initiation and continuance of these projects are deserving of high commendation. This scheme constitutes the first really constructive national plan for the relief of unemployed youth since the depression era, and the importance of any one of these projects it would be difficult to gainsay. Nevertheless, there are a few observations which might well be recorded concerning this Youth Training Programme:

1. A comparison of the total figures of unemployed youth (not only those on relief but all those not gainfully employed) with the present rate of annual absorption provided by the various projects of rehabilitation reveals the long delay which must necessarily occur before youth unemployment may be appreciably reduced. The renewal of Dominion and provincial grants for the continuation of the present programme is an

urgent necessity, but, if real progress is to be accomplished and serious inroads are to be effected into present conditions of unemployment, that programme must be broadened and expanded and the annual figures of absorption measurably increased.

2. In the effort to assist those selected for training, the physical, social, recreational, and moral needs of those who are awaiting their turn should not be overlooked or forgotten. Much has been written above concerning the damaging effects consequent upon long periods of unemployment. It is to be expected that, even with expanded training programmes, large numbers of young people may have to wait years before they are able to take advantage of these new opportunities. Continued neglect, over such extended periods, will render them all the more difficult to deal with when their opportunity finally arrives. Supplementary educational and recreational programmes are essential to the maintenance of morale among young people on the "waiting list".

3. Young men and young women are selected for the various projects of this youth training programme largely on a basis of physical and intellectual qualifications. These requirements render it inevitable that large numbers of young people will be denied these privileges altogether by virtue of their being unemployable. Are these unfortunates to pass into the limbo of forgotten men? Most of them, it is true, would profit little by the sort of training to which their more fortunate fellows are adaptable, but a great deal may be accomplished by way of restoring their adjustment to society and rendering them better

and happier citizens. To neglect them entirely would be to condemn them to disillusionment and despair.

4. Our dependence upon the primary industries is clearly evidenced by the particular attention which has been given to forestry, mining, and agriculture in the development of these projects. Hundreds of young people are being trained annually to take their places in the forest, in the mine, and on the farm. Constructive efforts, however, to raise the status of these occupations and render the eventual lot of these prospective workers the easier are conspicuously lacking.

5. Conspicuously lacking, too, are progressive measures to *prevent* the problem of unemployed youth. The remedial nature of the whole Youth Training Programme is markedly evident. What of the young people leaving our schools this year, and next year, and for the years to come? Will they be obliged to establish themselves as actually unemployed before their plight will come to the public notice—before they will be provided with the facilities for guidance and training and the opportunities for employment which are so essential to their future welfare and ultimate success? The present training projects are an obvious necessity—an emergency measure designed to relieve a situation to which we were awakened with startling suddenness, but no less obvious is the necessity for basic, constructive planning for our present and future school populations which may obviate the necessity for any such projects in their behalf in the years that are to come.

Conclusion.

It is doubtful if Canada faces any more serious problem today than that of unemployed youth. Not even a study of available statistics will serve to establish the real gravity of existing conditions, for these figures have to do, for the most part, with recipients of direct relief and the extent of the numbers whose circumstances are not sufficiently necessitous to place them in this class, but who are nevertheless not gainfully employed, is largely a matter of conjecture. Before the significance of the situation may be fully realized it would be necessary to register all young people who are unsuccessful in their continued search for employment.

That these conditions are exacting an inevitable toll in loss of ambition and initiative—in the decline of efficiency and general *morale*—in the disregard of moral responsibility and the growth of delinquency and crime—and finally in the engendering of anti-social and anti-democratic tendencies—is an established fact. Remedial measures have already been formulated and put into effect for the care of indigent and unemployed youth, but basic, constructive planning for the thousands of young people who leave our schools each year seems to be conspicuously lacking. And the longer the delay in the institution of an adequate and effective national policy designed to increase the employability of youth and to create new opportunities for employment, the more acute the problem becomes.

Essentially, this is a problem of education; but certainly not upon education should be placed the whole onus of reorganization and reform. The situation is so diversified and complex—the basic, contributory causes are so deep-rooted in the political, social, and economic structure of the country, that no single institution may be held responsible for the initiation of the new order of things which certainly must be established before the youth employment problems of the present and of the future may be satisfactorily solved. Education, it is true, may provide Canadian youth with the guidance and training which is so obviously necessary in our modern, industrialized world; our schools and colleges may go a long way toward inculcating in young people the new outlook and the new ideals which are so essential to the future development and prosperity of Canada; but only indirectly, and over a long period of time, can education bring about those economic and social changes which are just as necessary to a complete and lasting improvement of unemployment conditions. The fundamental problem is actually not one of rehabilitation, but rather is it a question of providing ways and means of absorbing our present and future school populations in useful, productive employment where they will be assured of a reasonable measure of personal satisfaction and success.

It is not within the scope of the present discussion to suggest any sort of general programme which might be expected to alleviate existing conditions.

Even if such an attempt were made, it would doubtless be doomed to failure for those projects which might satisfactorily meet the needs of any one province or area would, in all probability, be of little assistance elsewhere. While it is essential that any policy of reform designed to correct unemployment in Canada should be national in character, it must at the same time admit of a large measure of flexibility in order that the requirements of specific areas may be served. But in the consummation of any policy of reorganization, certain broad and general considerations cannot be overlooked—upon these the lasting success of the programme will ultimately depend. Some of the more obvious of these considerations follow:

1. Paramount in importance is the provision of additional facilities for vocational education. This should not be interpreted, however, as a plea for trade schools and specialized occupational training, which, except for the highly industrialized areas, can profitably serve but a very small fraction of our present population. Reference is made rather to the increasing need for a departure from the over-academicized type of curriculum and the incorporation of training of a broad and inclusive nature designed to determine and encourage the natural skills and abilities of the practically-minded student. There is always the danger that this instruction in the manual arts may be interpreted by the general public as specialized preparation for a specific vocation. To make it that would be to

commit a grievous mistake. Industry, of course, has need of skilled artisans, tradesmen, and technicians but their training can well be entrusted to institutions set up for that particular purpose, to which our young people may proceed when their secondary education is complete. But there is need also of a far greater number of young men, trained in the basic skills—young men of versatility, initiative, and a variety of interests, capable of adapting themselves to the ever-changing demands of business and industrial life. Consequently, it is essential that this early training which parallels academic education, should have little of standardization or specialization about it—that it should present a wide variety of practical activities designed to enlist the interests of the student and to discover and develop his natural aptitudes and capabilities.

2. The phrase “parallels academic education” is used very advisedly, for at no time should the lack of vocational facilities eclipse the accompanying need for academic instruction. The fundamental requirements of citizenship and social responsibility must be fulfilled, and employers are becoming increasingly insistent in their demands for a thorough academic training. On the other hand, most surveys of unemployed youth have revealed their startling lack of educational background. If the young people of the present and of the future are to be spared the hardships of these unfortunates—if they are to face the problems which confront them

more intelligently and with greater assurance—if they are to play their part in moulding the new order of things which will determine the future happiness and prosperity of the Canadian people—then it is essential that each and every one of them receive the rudiments of an academic training necessary to the development of a good citizen and a whole man.

3. Closely allied with these considerations is the growing need for organized programmes of practical vocational guidance. Much has already been accomplished along these lines in some of the larger cities and towns where it has been possible to organize special departments devoted to this work, but the impracticability of establishing such departments should never be permitted to discourage a genuine interest in this important and very much needed service. Splendid results may be accomplished with limited facilities and personnel. Vocational guidance material should be made increasingly available in our schools and teachers and principals should exhibit a growing interest in the future welfare of their students, discussing with them, individually and collectively, problems of a vocational and occupational nature. No pupil should leave school without at least a working knowledge of the variety of occupations which are available to him and an assurance of the general type of work to which he is particularly adaptable and at which he may anticipate a reasonable measure of assured success.

4. Nor is it likely that it will be sufficient merely to train young people how to work and to direct them to a suitable type of vocation, for there is considerable evidence of the necessity of teaching some young people actually to do the work which is expected of them. The attitude of *laissez-faire* which has been referred to as becoming increasingly evident in our schools, is inevitably carried over to after life and exemplifies itself in not a few school-leavers as a lack of initiative, a general indifference to individual responsibility, and a disregard of the necessity of establishing themselves in gainful occupations. Time and again, employers have called attention to this growing tendency, particularly among the youth of urban centres, where the discouragements of prospective unemployment are most often in evidence. As has been stated above, it is among those who have experienced periods of enforced idleness that this attitude is most widespread. Hence the need for a plan, interwoven into the work of our public schools and courses of training, which will teach young people the "habit of work".

5. Doubtless the problem of unemployment would be considerably simplified by the establishment of a closer link and a better understanding between the school on the one hand and business and industry on the other. Secondary schools particularly should become increasingly concerned with the destiny of their outgoing pupils and this can probably best be accomplished by keeping in close

and constant touch with local employers of youth, who should be encouraged in turn to confer with the school concerning their requirements. This mutual understanding will be greatly furthered by the adoption of the vocational training and guidance programmes already suggested, as a result of the growing confidence which employers will place not only in youth generally but also in the recommendations and suggestions made by the school itself. While much may be accomplished, even in the larger centres, it is in the village and rural sections that this service may be expected to operate most efficiently and produce most effective results. Rural young people are for the most part denied the facilities of any organized employment agency and consequently the responsibility of providing these boys and girls with the necessary assistance, advice, and guidance in the matter of obtaining satisfactory employment devolves, in large measure, upon the school. That educational institution which fails to assist its graduates, as far as possible, in their search for gainful occupation has left its obligation only partly fulfilled. Some form of placement service and follow-up record of individual students can, and should, be established in every school.

6. But it would of course be as unwise as it is impractical to place upon the secondary school the major burden of the youth employment problem. Certainly a great deal may be accomplished by a closer understanding between the school and the

employer, but the success of this effort will depend, to a great extent, upon the establishment of an effective and efficient junior employment service, which will co-operate with, and co-ordinate the efforts of, the local school authorities. Such a department is a necessary complement to the occupational service provided by the schools themselves. In order to provide for the migration of young people away from centres where unemployment is most widespread and toward those districts where local conditions provide greater opportunity, it is essential that such a service should be national in character. This requirement practically presupposes federal government auspices. It is true that a department of this nature is now in operation but its progress and development have been severely handicapped and its effectiveness has been seriously curtailed by restriction of the number of agencies, by inadequacy of staff, and by the abnormally difficult labour conditions of the post-depression period. The need is immediate and urgent for the extension and amplification of this service, especially in the urban centres.

7. Essential to a satisfactory and lasting solution to this problem is the maintenance of a proper balance between the supply of, and the demand for, youth labour. Control of supply may be exercised during the period of training by the discouragement, or even by the restriction, of entry into particular occupations, but there is an appalling lack of accurate and detailed knowledge concerning the

labour demands made by the various trades and vocations. Hence the necessity for a comprehensive investigation into the manifold phases of Canadian business and industrial life which should make available data having to do with such matters as: the variety of avenues open to young people seeking employment; the annual turnover and absorption of youth labour by the various occupations; the physical, educational, and training requirements of each; wage scales, working conditions, possibility of advancement, etc. It is on the basis of information of this nature that constructive and scientific planning for Canadian youth is possible and the task of collecting and consolidating this data should constitute one of the major functions of the junior employment bureau already referred to. Only when the immediate needs of existing occupations have been accurately determined and the future requirements anticipated as far as is possible, can we remove much of the uncertainty which now exists in the institution of vocational guidance and training programmes; only then can we be assured of a minimum discrepancy between the supply of youth labour and the corresponding demand.

8. Nor should this investigation confine itself merely to an analysis of existing occupations. Available statistics of idle youth give ample evidence of the urgent necessity for the creation of new opportunities. Special attention should be given, in the course of such a survey, to the possibilities of enlarging and expanding our present

facilities for youth employment and to the possible establishment of entirely new industries. The necessitous circumstances induced by the depression era gave rise to innumerable ways and means of earning a livelihood which would have passed by unnoticed during a period of general prosperity. For example, considerable attention has lately been directed to the development of home industries in certain areas where local atmosphere or historic background create a ready demand for hand-made and rustic commodities. This reversion to handcraft should not be construed, as is sometimes done, as an industrial recession but rather is it the production of particular articles of commerce to meet a legitimate demand. A comprehensive survey of Canadian industries would doubtless reveal many and varied means of absorbing additional young people in useful, productive employment.

9. Ways and means must be determined to combat the growing disregard of the primary industries and related vocations. To this end, the interest of young people must be renewed in the basic activities of mining, forestry, fishing, and agriculture and constructive steps must be taken to improve the eventual lot of those who turn to these occupations in search of a livelihood. The future prosperity of Canada, because of its rich endowment of natural resources, will continue to depend in large measure upon the development of these fundamental industries. Not only is it essential that increasing numbers of young people be versed in modern,

scientific methods of production and marketing, but no effort should be spared to provide the primary producer with an honest, living wage. Youth will find new interest in these basic occupations when they are assured of a just measure of community respect—when they are able to establish themselves in a position of reasonable financial security—when they are afforded the consciousness that they hold positions of definite responsibility and are contributing factors in the ultimate welfare of the society of which they are a part.

10. A glance at Canadian unemployment figures will reveal the concentration of the problem in the larger urban centres. For years past, the tendency has been for rural young people to leave their homes and to migrate to the city in search of more attractive and more lucrative employment. Employers, too, have contributed to this movement in their expressed preference for young workers from the country. While it may be possible, to a limited extent, subsequently to reverse this process and to re-establish these young people in the primary occupations, a more logical procedure seems to be to forestall the over-concentration of population within the urban centres. No effort should be spared to prevail upon rural young people to *remain* in the rural districts. A journey through the countryside of Eastern Canada reveals hundreds of abandoned farms, with productive soil lying idle and buildings falling prey to wind and weather. There are those who maintain that this condition is a natural conse-

quence of the farmer's inability to provide himself with an adequate income but, be that as it may, the fact remains that the possibility of establishing oneself on a self-sufficiency basis is far greater in the country than in the charity hostels and "flop-houses" of a crowded city or town. The difficulty of establishing urban young people in the basic occupations is at once apparent, but the rural youth may quite easily find his place in the community to which he has always been accustomed. Every assistance should be given, and every inducement should be offered, to prevent the drift of population cityward.

11. While it has little direct bearing upon the problem of idle youth, except in so far as it may contribute to a reduction of unemployment generally, young people would undoubtedly be provided with new and greater opportunities through the adoption of a shorter working week. Again and again we are reminded of the ever-decreasing labour contribution necessary to provide for the needs of mankind. The most apparent solution to this situation seems to be the introduction of a progressively-diminishing working week, supplemented by some policy which would provide for an earlier age of retirement. Concerning the social and economic implications involved in reform measures of this nature, nothing need be said at this point, but it will be sufficient merely to call attention to the greater opportunities for youth employment which would inevitably result from the general adoption of such a policy.

12. Finally, parents, teachers, youth leaders, and others should spare no effort to inculcate in the youth of Canada the new ideas and the new ideals upon which the success or failure of any programme of reform will eventually depend. There is real need for a new motivation for youthful endeavour and a radical departure from the materialistic point of view. This can probably best be accomplished by engendering in our boys and girls an unselfish devotion to duty, a new sense of values, a love of country, a profound faith in democratic principles, and above all the consciousness that they are potential citizens not only of the community, but of the nation and also of the world at large. This does not mean either that the individual need be sacrificed in the interest of the state or that rabid, narrow nationalism need result. It would be difficult to find a greater love of country—a stronger nationalistic feeling—than that which exists in some countries of Northern Europe today, but that devotion, while it makes for domestic prosperity and a contented people, offers no threat to the rest of the world. So in Canada, youth must be convinced that economic individualism is not an end in itself and that individual effort is worth while only in so far as it contributes to human happiness and human betterment and leads us one step further toward the ultimate goal—a world fellowship of mankind.

IV

RELIEF AND OTHER SOCIAL SERVICES FOR TRANSIENTS

H. M. CASSIDY

I. Introduction.

MEETING the needs of transients is one of the most difficult of our social service problems. The transients make up an under-privileged class, even among the lower tenth of our population in need of social aid. Their problems are frequently more difficult to solve because of their absence from home and relatives and friends, and yet public welfare services are granted to them much more sparingly than to "residents". Public officials, compelled to work within the limits of rigid regulations, are constantly at their wits' ends as to how they can relieve the transient in distress.

In this chapter an attempt is made to outline the main elements of the transient problem. As the title suggests, attention will be paid not only to unemployment relief but also to other social services. The problem will be discussed particularly from the standpoint of one province, British Columbia. This treatment of the subject will be followed partly because the writer does not have adequate data at hand regarding conditions in other provinces, and partly because it is believed that analysis of the

experience of one province will lead to certain conclusions that are applicable generally throughout the Dominion.

The term "transient" will be used in this chapter to describe those persons requiring social aid who are not considered to "belong" to the municipality or the province in which they apply for assistance. That is to say, they are new-comers or outsiders who have not resided sufficiently long in a municipality or a province to be entitled to those social services which are granted normally to the residents of that area. Strictly speaking, there are both "transients" (persons without homes anywhere) and "non-residents" (persons away from home); but it will be convenient here, following a practice that has been particularly common in Western Canada, to use the word "transient" to cover both categories. Since residence rules vary from one province to another, and even from municipality to municipality within a province, it follows that there is no uniform definition of transiency throughout the Dominion. A common practice is to consider those who have resided for less than one year in a municipality or a province as non-residents; but a longer period of residence is frequently required to establish eligibility for relief and other social services.

Those persons who are within their own province, but absent from their municipality of residence, may be termed provincial transients; and those who are in another province than their province of legal residence will be called inter-provincial transients.

The more serious social service problems arise in connection with this second group.

Unattached men make up a large part of the transient problem. These homeless wanderers may be classified in various ways, but it will be sufficient for our purposes if we note that among them there are three main groups—migratory workers in search of employment, casual wanderers and confirmed tramps. There are also family groups and unattached women, most of whom are migrants from old homes to new, and a few of whom are chronic wanderers.

II. The Background.

The problem of transiency in Canada is essentially a by-product of our intense mobility of population. Progressive exploitation of the Canadian domain during the last four centuries has required constant movement of labour from place to place. Particularly in Western Canada the main industries, farming, lumbering, mining, construction and transportation, create a demand for labour which fluctuates violently from time to time and from place to place. Before the depression of the nineteen-thirties thousands of European immigrants were being distributed throughout the country each year. The attraction of new and fertile lands to be settled kept farmers on the move, ever west and north. From their natural response to the requirements of a pioneer economy for a mobile

labour force, Canadians became habituated to easy and rapid movement across a vast territory.

Single men, or men detached from their families, were particularly important in serving the needs of Canadian industry. They provided the man power for logging, mining, railroad construction, railroad maintenance and seasonal work on the farms. Typically they lived while they had jobs in camps in the wilderness and they returned to the main cities when their jobs came to an end. Thus, in the winter months when work was slack and in years of depression, great numbers of these men congregated in Vancouver, Calgary, Regina, Winnipeg, Montreal, Toronto, Halifax and other centres. In these cities there were pools of labour which could be drawn upon when necessary by the extractive industries.

In the years of good employment preceding the depression the problem of social services for transients was not generally felt to be acute. For the unattached men there were jobs to be obtained, at least for part of the year, and it was possible for the great majority of them to live on their earnings in the cities during the winter months of seasonal unemployment. The heads of families who migrated to a new district were likewise able, as a general rule, to find some means of support for themselves and their dependants.

But of course there was a certain number of problem cases which required assistance of one type

or another. In the larger cities there were shelters or mission hostels, such as the Meurling Refuge in Montreal, the House of Industry in Toronto, the Central City Mission in Vancouver and the Salvation Army hostels in most places, which gave meals and lodging to homeless men. These institutions were generally supported by private funds and as a rule they assisted transients as well as men belonging to the communities where they were situated. For heads of families and for women there was a certain amount of service provided by private social agencies in the larger cities. With the number of non-residents applying for assistance not very large, it was possible for private charity to deal with the transient group without undue difficulty.

By and large, public relief services were very imperfectly developed in Canadian municipalities prior to the depression. Where regular relief departments were in operation, as in Vancouver, Regina and Hamilton, they were designed particularly for residents of the municipalities in question and they gave little but emergency assistance to transients.

The arrival of the depression of the nineteen-thirties changed the situation completely. Transiency increased sharply—that is to say, the transiency of indigents. Many of those who rode on the railroads previously by tourist car or day coach were now unable to pay fare and transferred to the freight car. The aimless movement of homeless men from place to place soon became one of huge pro-

portions. In the summer months of 1931 and 1932 tens of thousands of men were on the road. Almost every freight train that the transcontinental traveller saw in the summer of 1932 in Northern Ontario and Western Canada had its quota of free passengers, often 50 or 100 or even more. Young boys of 15 and 16 years were among the box car tourists. Girl hoboes were frequently encountered, and there were even men with their wives and children. However, the migrating family groups travelled more generally by second-hand automobile or horse and wagon.

There were several major factors to explain this sudden and serious increase in the number of indigent transients. First, of course, was the general decline in employment. Men who lost their jobs in camp or mill or mine moved rapidly from place to place, attracted by reports or rumours about prospects for work. To these migratory workers, accustomed to travel across the country in search of jobs, were added other men, discharged from employment in the secondary industries of the towns, who ventured forth from their own communities in the hope that surely work could be obtained somewhere else. The farms also contributed their quota of wanderers, farm hands who lost their jobs and farmers' sons who took to the road to escape from the hopelessness of depression-struck rural households. The depression sharpened enormously the competition for jobs, and this, in itself, called forth more travelling.

Two factors largely independent of the depression have accentuated the transient problems in the West. The first of these affected particularly unattached men. After 1929 and 1930 demand by the Prairie Provinces for harvest labour from the East and from British Columbia disappeared almost altogether. The increased use of the combine harvester thresher, low prices of wheat, drought conditions and poor crops and the availability of prairie labour all helped to bring about this condition. Men who had previously made enough money in harvesting to carry them over the winter season were thus deprived of the means of support. Drought conditions which have affected large portions of Saskatchewan, Manitoba and Alberta in every year since 1930 have also contributed notably to the problem. Many farmers and their families, after several years of crop failure, have given up in despair and have sought new homes in the northern part of the Prairie Provinces, in British Columbia, and in Ontario, taking with them their household goods and some farm equipment but little or no money. In many cases the sons of these farmers have left the family to strike out for themselves and to be added to the homeless men of Canada.

At least in the early part of the depression the measures taken by the public authorities to deal with the problem probably accentuated, rather than limited, the transient movement. So far as the single men were concerned the general rule was "two meals and a bed and leave town". Each

municipality felt compelled to refuse relief to transients lest it be burdened with new-comers who would flock to it because they could obtain relief there. In 1932 one writer described the treatment of single men as follows:

"The municipalities steer them off because if they are arrested as vagrants they become a charge on the municipality and it costs a dollar a day to keep them. So their word is 'Keep them moving'. The C.P.R. police advise the man that it is better travelling C.N.R., and the C.N.R. police return the compliment, and there you are. . . . Wherever they go they feel they are not wanted. There is no work, no hope, no place for them. They are Canada's Untouchables. They are deteriorating morally, physically, and in every other way."¹

While the treatment of family groups and women was not so harsh, they too were generally refused relief unless they were residents of the municipality in which application was made. The writer discovered, through a detailed survey of leading Ontario municipalities in 1931, that practically every municipality insisted that those to whom it gave relief must have resided within its boundaries for six months or a year.² Thus there was also pressure put upon the family groups to move on—in the hope that the next town would be more considerate.

¹Rev. Andrew Roddan, *Canada's Untouchables*, p. 14, Clark and Stuart Co., Vancouver, 1932

²H. M. Cassidy, *Unemployment and Relief in Ontario, 1929-1932*, p. 272, J. M. Dent & Sons, Toronto, 1932.

Unable to obtain any but emergency public relief for a day or two or assistance from missions, shelters, hostels and soup kitchens privately organized, the transients moved aimlessly about the country. Near every city "jungles" grew up, in which the homeless men made their temporary headquarters before passing on to the next centre. Sanitary conditions in these jungles began to receive unfavourable publicity, "rod-riding" on the railroads was severely criticized, there arose grave concern that the wandering men were a threat to life and property, and by 1932 the situation came to be considered a national scandal. Insistent demands came from the municipalities and provinces that the Dominion should take special action to deal with the problem of homeless men.

This point of view was reflected strongly in a conference of relief officials and social workers held at Ottawa in May of 1933 under the auspices of the Canadian Council on Child and Family Welfare, which agreed unanimously that, so far as unemployed homeless men were concerned, "the Dominion power should assume complete control and financial responsibility for this problem".

III. Dominion Policy.

"The relief of distress has always been held by the Dominion to be primarily a responsibility of the provincial and municipal authorities, with the proviso that . . . (where necessary) . . . the Dominion Government should extend financial aid,"

said the Honourable Norman Rogers, Minister of Labour, in the House of Commons on March 23, 1936. Working on this principle, the Dominion Government did nothing specific under the Unemployment Relief Acts of 1930 and 1931 to provide relief for transients. Presumably the provinces and the municipalities, assisted by Dominion grants towards relief works and direct relief, would care for non-residents as well as residents.

But as the problem of homeless men became more acute the Dominion was forced to make special provision for this group. In the fall of 1932 agreements were made with the four western provinces whereby subsistence camps for single homeless men were authorized. These camps were to be administered by honorary commissions, appointed by the provinces, and it was agreed that the Dominion would pay the full costs of their operation at a rate not to exceed 40 cents per day per inmate. "Single homeless persons" were defined in these agreements as persons who had "no settled place of abode within the province". Thus they absorbed both interprovincial and provincial transients, as well as a good many men who could claim a substantial period of residence within a particular municipality. At the same time agreements were made with the western provinces to place homeless men on farms, with the provision that such men would receive their board and lodging and \$5 per month in cash, this to be paid by the Dominion Government. In the summer of 1932 the Dominion

also established certain work camps, operated by the Department of the Interior and the Department of National Defence, to which homeless men were admitted.

In the fall of 1933 new arrangements for the care of homeless men were made, which were to last substantially without change for three years. The various provincial camps in the West operated by the honorary commissions in 1932 and 1933 were taken over by the Dominion Department of National Defence. New camps were opened in the East, so that when the system was in full operation there were camps in all parts of Canada. It was provided that physically fit homeless men should be admitted to these camps, where they would work for eight hours per day in return for their board and lodging, clothing and medical service, plus an allowance of 20 cents per day. Similar rules were made for a few camps under the Dominion Department of the Interior which were continued. The camp scheme was designed primarily for transients, but there was no very clear residence rule to define eligibility, so that provincial as well as inter-provincial homeless men were among the recruits.

The Dominion further agreed in 1933 to share equally with the western provinces the costs of relief for physically unfit homeless men issued by the provinces or the municipalities, at a total cost not to exceed 40 cents per man per day. This arrangement was discontinued in 1934, when relief grants from the Dominion to the provinces were

changed from a percentage of cost to a lump-sum basis. From this time forth the provinces were expected to make their own arrangements to provide relief for physically unfit transients. The farm placement scheme described above, which was begun in 1932, whereby the Dominion contributed \$5 per month for each homeless man placed on a farm, was continued from 1933 to 1936 in the western provinces.

By means of these schemes, a large number of homeless men were maintained from 1933 to 1936. In the two years 1934 and 1935 the population of the National Defence camps varied from about 19,000 to 25,000. Most of the time more than half of the camp population was in the four western provinces. In addition, 10,000 to 15,000 men were maintained on farms during substantial portions of the years from 1932 to 1936. However, the average population was not so high, for the number of men on the farms fell off materially in the summer months of each year. The figures on National Defence camp population and farm placement show that the problem of transient single men was largely concentrated in western Canada.

As time went on dissatisfaction with the National Defence camps became very great. The men in the camps objected to the low rate of pay for the work they were required to perform as well as to the management of the camps by military officers. Sporadic strikes occurred, culminating in a partially effective general walk-out in the spring of 1935.

This was followed by the famous "On-to-Ottawa" trek when several thousand camp strikers and other homeless men left British Columbia by freight trains with the object of gathering recruits on the way and descending in a body upon Ottawa to present their grievances to the Government. This march was broken up at Regina where there was a serious clash between strikers and the police in which several were killed and many were wounded.

After investigation of the situation by a special advisory committee appointed in November 1935, the Government decided to close the relief camps. The Honourable Norman Rogers, Minister of Labour, explained the reasons for this in a speech before the Canadian Club of Toronto on January 17, 1937. The camps, he said,

"were costly in terms of dissatisfaction, bitterness and human frustration. They may have been necessary to meet an emergency. . . . They were not work camps in the proper sense of that term. They were not training camps in the proper sense of that term. For single unemployed they were a blind alley—a dead-end street. For the Government they were an expensive luxury. . . . For Communist agitators they provided a ready-made forum for the propagation of subversive doctrines where teachers and pupils were given shelter, food and clothing at the expense of the Government".³

The members of the special committee to investigate the relief camps (Messrs. R. A. Rigg,

³*Labour Gazette*, January, 1937, p. 26.

Humphrey Michell and E. W. Bradwin) reported in January, 1936, that while in their opinion the camps had been useful as a temporary expedient, they were open to grave objections, one of which was that there was "a general slowing up of work on the part of the great majority at an estimated efficiency of not more than 35 per cent. of the normal standards."⁴

In the spring of 1936 the Government made arrangements with the railways to absorb about 10,000 men, to be drawn from the ranks of the camp workers. By July 1, 1936, the Dominion Minister of Labour was able to announce that the camps had been closed, with approximately 9,000 men placed in railway jobs. The remainder of the 20,000 men in the camps in March of 1936 found other employment or left the camps to shift for themselves.

During the winter of 1936-37 the Dominion made provision for homeless men in the Prairie Provinces chiefly through a revised system of farm placement, with administration of this scheme by the provincial authorities. Each man placed on a farm was to receive \$5 per month and \$2.50 per month bonus if he remained until March 31, 1937. The farmer taking the man was also to receive \$5 per month.⁵ The Dominion Minister of Labour reported in January of 1937 that some 40,000 men had been placed on prairie farms under this scheme. The Dominion undertook to contribute to the solution

⁴*Labour Gazette*, February, 1936, p. 144.

⁵*Labour Gazette*, October, 1936, p. 855.

of the problem in British Columbia by assisting the province to organize works projects to employ homeless men. The Dominion agreed to provide half the cost of these undertakings and stipulated that preference in employment be given to inter-provincial transients.

Thus it appears that during the four years 1932 to 1936 the Dominion assumed a large degree of responsibility for the maintenance of transient unattached men throughout Canada. During this period the bulk of the single transients (those who complied with the eligibility rules established under the various schemes) were given an opportunity of relief in subsistence camps or work camps or on farms. In effect, the single transient was recognized as a ward of the Dominion Government. Incidentally, the Dominion camp and farm placement schemes also provided maintenance for a large number of men who, according to any reasonable definition, could be considered provincial residents rather than interprovincial transients.

With the closing of the National Defence camps in 1936 a new policy was undertaken. While continuing to make special provision for homeless men, the Dominion turned over administration of the new measures to the respective provinces. The new policy emphasized work and wages rather than subsistence with a modicum of work, which was the essence of the policy followed from 1932 to 1936.

In an official statement issued on September 8, 1936, it was said,

"The Dominion Government has decided to adopt a broad policy for this winter, of offering to share on an equal basis with the individual provinces in the cost of such plans . . . for the purpose of absorbing in the primary product industries all physically fit single homeless adults. Conditions attached to this policy will require . . . that the provinces make a determined effort to abolish direct relief for this class of relief recipient for the period of such assistance."⁶

The Dominion has done little or nothing to give special recognition to the problem of relief for transient families and single women. Unlike the single men, these persons have not been recognized particularly as subjects of Dominion responsibility. The provinces have been left to deal with the problems that they present, with the Dominion giving assistance towards relief for this group in no greater amount than towards relief for provincial residents.

IV. The Transient Problem in British Columbia.

We may turn next to a more detailed consideration of the transient situation in British Columbia. British Columbia feels the problem particularly, because for a variety of reasons the province is a Mecca for new-comers from other parts of Canada, both wanderers who expect to move out again and immigrants who intend to stay permanently. There is also a considerable amount of provincial transiency, to be expected in a province which is

⁶*Labour Gazette*, September, 1936, p. 787.

supported largely by primary industries, such as mining, lumbering, fruit growing and fishing, which have variable demands for labour. However, it is not the provincial but the interprovincial transients who are the main source of worry to those who administer the public social services of British Columbia.

Examination of population figures alone will show why the transient problem has been acute in British Columbia all during the years of depression. For the population of British Columbia has continued to grow at a rate considerably more rapid than that of natural increase. In the five years from 1931 to 1936 the population increased from 694,000 to 750,000, or 8.1 per cent., according to the estimates of the Dominion Bureau of Statistics.⁷ In the Prairie Provinces, on the other hand, the rate of population increase has been distinctly curtailed during the depression. From 1931 to 1936 the population of Manitoba and of Saskatchewan remained practically stationary and the rate of increase in Alberta was only 5.5 per cent. These comparative population figures suggest that British Columbia has been gaining in population at the expense of the Prairie Provinces during recent years.

The available figures show clearly that British Columbia has had more than her share of homeless

⁷These estimates of growth, the writer believes, are very conservative. Estimates made by Professor G. F. Drummond, of the University of British Columbia, suggest that the increase has been substantially greater.

single men. During the period when the National Defence camps were operated, there were generally more men in the British Columbia camps than in those of any other province—some 6,000 to 8,000, on the average, or about a third of the total camp population. While a certain number of these men might claim to “belong” to British Columbia more than to any other province, there is every reason to believe that the bulk of them had no established residence in B.C. when they first entered camp. However, the fact that camps for transients were established in British Columbia in 1932 “froze” them there, to create serious problems for the provincial authorities when the camp forces were demobilized in 1936.

As will be pointed out later, relief has been granted to interprovincial transients sparingly by the provincial authorities and every effort has been made to persuade them to leave the province. This means that it has been much more difficult for them to obtain relief than provincial residents. In spite of these policies, the unemployment relief records of the province show that the transients have made up a substantial part of the relief population. In January of 1935, for example, the total number of persons of all classes who obtained relief in the province (excluding men in National Defence camps) was 100,771.⁸ Of this total 5,685 persons, or 5.6 per cent., were classified as

⁸Monthly Report of the Unemployment Relief Branch of the B.C. Department of Labour. Other figures that appear below are derived from the monthly reports

transients.⁹ If to this number were added the 7,760 men in National Defence camps the transients would make up more than 12 per cent. of the total number of persons on relief. From October, 1934, to January, 1937, transients (not including men in National Defence camps) made up from 5.3 per cent. of the relief population in the lowest month to 7.3 per cent. in the highest month. Thus it appears that, using the broadly inclusive definition which has prevailed in British Columbia, the transient group (excluding men in National Defence camps) constituted more than 6 per cent. of the total relief problem for the three years 1934-1937.

A few figures are available to indicate the extent of the demands made by transients upon other social services. From January, 1932, to March 31, 1937, persons who had resided for three years or less in the province contributed 7.4 per cent. of the total number of new cases of tuberculosis reported to the Provincial Board of Health. Records for the years 1927 to 1931, inclusive, show that persons who had resided for three years or less in the province contributed only 3 per cent. of the total number of new tuberculosis cases reported. These figures suggest that the demands made upon

⁹From 1931 to 1937 a "transient" was defined by the Unemployment Relief Branch as a person who entered the province in a destitute condition later than May 1, 1931, and who was unable to prove self-support from earnings for eight months out of any twelve consecutive months since that time. However, this definition has not been used consistently. Persons who had spent several years in the province and who were clearly "settled" there were commonly removed from the transient classification. Therefore, the figures showing transient cases on relief do not cover nearly all of the destitute persons who entered the province since May, 1931.

the public tuberculosis service by transients have increased substantially during the years of depression.

Poor relief (for unemployables and their dependents) is administered by the Welfare Branch of the Provincial Secretary's Department for persons living outside of municipally organized districts. The records of the Welfare Branch show that during the fiscal year ending March 31, 1937, about 3 per cent. of the new applications for poor relief came from persons who had resided for less than one year in B.C.

A survey made by the British Columbia Economic Council showed that in one week in November of 1937 the number of inmates or patients who had resided in the province for three years or less was 7.5 per cent. in general hospitals, 15.4 per cent. in provincial jails, 7.8 per cent. in provincial industrial schools, 7.7 per cent. in the provincial School for the Deaf and Blind, and 3.5 per cent. in provincial tuberculosis hospitals.

A careful study of all the patients in the provincial mental hospitals during the period 1916-26 was made some years ago. This showed that a surprisingly high proportion of the patients admitted to these institutions were recent arrivals in British Columbia. Out of 2,856 cases for which information was available, 286, or 10 per cent., had resided in the province less than one year when they were admitted, while 21.1 per cent. had been in the province less than three years.¹⁰ Admission figures

¹⁰Report of the B.C. Royal Commission on Mental Hygiene, 1927, p. 48.

for a more recent period, the years 1932 to 1935, inclusive, show that 4.9 per cent. of the patients admitted had spent less than one year in the province, 6.9 per cent. less than two years, and 10.8 per cent. less than three years.

While the information that is available regarding the extent of the transient problem in British Columbia is by no means conclusive it is quite clear that transients make very considerable demands upon the social services of the province. It seems probable that persons who may be termed interprovincial transients, according to any reasonable definition based on length of residence, are responsible for at least 3 to 5 per cent. of the case loads and the expenditures of most of the provincial social services. There is a strong feeling that the province should not be compelled to assume large charges in behalf of non-residents, and this feeling lies back of the provincial policies towards transients which are described later.

Of course there is a counterbalancing movement of destitute emigrants out of British Columbia, but there is every reason to believe that the outward movement is much smaller than the inward. A few figures are straws in the wind. In the year ending March, 1934, the number of Dominion war pensioners throughout Canada decreased by 112 while the number in British Columbia increased by 132. As at September 30, 1934, there were 321 old age pensioners in British Columbia who were receiving pensions as former residents of other provinces

while there were only 109 pensioners in other provinces receiving pensions as former residents of British Columbia. From these and other figures it seems clear that British Columbia has to assume a burden of transient indigency much greater than the burden which it contributes to the rest of Canada.

It is common knowledge that single or unattached men predominate among the transients. Yet, contrary to the general impression, a large proportion of the total group is made up of married men, women and children, at least in British Columbia. The following table shows the different classes of transients receiving unemployment relief in British Columbia in a representative month, January, 1935:¹¹

	NUMBER		PER CENT.
Men in National Defence camps . . .	7,760	. . .	57.7
Other unattached men	1,464	....	10.9
Single women	44	....	.3
Heads of families and dependents .	4,177	....	31.1
Total	13,445	... ..	100.0

As would be expected, the great majority of the transients in British Columbia who have previously had any fixed place of abode come from the Prairie Provinces or Ontario. A large number of the single men are unable to report a previous consecutive period of residence for a substantial length of time

¹¹The definition of "transient" used by the B.C. Unemployment Relief Branch, from which these figures have been obtained, is very broad, as has been pointed out above. Moreover, by no means all of the men in National Defence camps in January, 1935, could reasonably be termed transients. However, the figures give a general idea of the composition of the transient group, even if they exaggerate its size.

in any other province. The family groups, however, have usually spent considerable time in some other province. Saskatchewan, in particular, has contributed a large number of farm families who have fled from drought-stricken areas.

Transient indigents report various reasons for moving to British Columbia. Many are attracted by the comparatively mild winter climate of the Pacific Coast. Frequently they state that they have come for health reasons, either of their own volition or on the advice of physicians in the Prairie Provinces. Vancouver is a natural headquarters for workers in primary industries to which unattached men flock when jobs are scarce. During the year 1937 reports of boom conditions in the lumbering and mining industries, of work on new bridges at Vancouver and New Westminster, and of jobs in connection with Vancouver's Jubilee Celebration attracted migratory labourers. Since Vancouver is a railway terminal, chronic wanderers who pass through other cities are compelled to stop there. The well watered, if not always productive, lands of British Columbia appear to hold out a promise of security to farmers who have had their fill of crop uncertainties on the prairies. Some move to be close to families or friends. A certain number of destitute immigrants, it appears, are attracted by the public health and welfare services of the province, which are relatively generous to the under-privileged, non-resident as well as resident.

Evidently a large proportion of the family transients enter the province with the intention of settling there. The unattached men, on the other hand, are much more mobile and the bulk of them are prepared to move eastward again in response to opportunities for employment.

There are important questions to be raised regarding the employability of transients. Some interesting conclusions on this point emerge from a census of unemployment relief recipients which has been taken by the B.C. Unemployment Relief Branch. The figures that are quoted below are derived from an analysis of these census records for the month of September, 1936, covering 1,450 transient adults (heads of families, single men and single women) who were available for employment. At that time the bulk of the physically fit homeless men who had been cared for previously in National Defence camps were not on relief. These men were the best of the transient crop, generally young and vigorous, at least a third of them under 30 years of age and the great majority under 40 years. While the figures that are quoted below do not cover this important group, they are useful to give an idea of the employability of the transients remaining on relief in 1936 and 1937.

The great majority of these 1,450 transients had been on relief regularly or intermittently for a considerable time, 62.1 per cent. of them having made their first application in 1934 or earlier. More than a third reported total, partial or temporary

disabilities, while only 63.7 per cent. reported good health. Those who reported no employment since their first application for relief made up 75.7 per cent. of the total number. Nearly 10 per cent. of them were over 60 years of age and 26.4 per cent. were 50 years or more. Of the total number, 24.6 per cent. were born outside Canada. As would be expected, the great majority were unskilled or semi-skilled workmen. Farmers made up 18.7 per cent. of the total number; common labourers 12.1 per cent.; building and construction workers 11.7 per cent.; and workers in personal service (mainly domestics) 10.9 per cent. A substantial proportion, 6.2 per cent., were women with dependent children under 16 years of age.

What do these figures reveal regarding the employability of the transient? Employability, of course, is a relative term. In a period when labour is plentiful a person with any substantial handicap, of age, physical or mental defect, poor work record, or low intelligence, is practically unemployable. On the other hand, when labour is scarce such a person can be placed in industry. Since there is still in British Columbia a great surplus of labour, it would seem that a group with characteristics such as have been described must contain a large proportion, perhaps 30 or 40 per cent., who for all practical purposes may be considered unemployable.

In this respect the transients on relief in British Columbia do not differ materially from the pro-

vincial residents. Records of the Unemployment Relief Branch covering all adults on relief show that there must be many unemployables among them. Comparison of figures for the transient group with those for provincial residents suggests that, in some respects at least, their capacity for employment is even greater than that of provincial residents. This conclusion is somewhat surprising, in view of a common opinion that the quality of the destitute transients is very low. It is interesting to note that it coincides with conclusions that have emerged from recent American studies on transients. According to a report issued recently by the American Committee on Care of Transient and Homeless, "These studies prove that the transient population differs very little from the average; that the transients are normal citizens seeking opportunity and, except that they cannot qualify under legal settlement provisions, are much the same as local residents."¹²

V. British Columbia's Transient Policy.

It has already been stated that provincial transients are not considered to represent a major problem in British Columbia. The reason for this is that methods of dealing with them have been devised whereby they receive, in large measure, the same social privileges as persons who are legal residents of the municipality where they apply for assistance. Thus they are not sharply differentiated as a class

¹²*After Five Years—The Unsolved Problem of the Transient Unemployed, 1932-37.*

from other persons in need of social services. At the same time they do present certain special problems because of absence from home and friends.

Discrimination against provincial transients did exist previously in British Columbia municipalities. But it has been largely eliminated in recent years by several important developments. For one thing, a number of the main social services, including mothers' pensions, mental hospitals, tuberculosis control, venereal disease control and industrial schools, are administered by the provincial government, which does not require residence in any municipality as a test of eligibility for these services. There has also been marked progress in the working out of residence rules to define clearly the responsibility of a municipality for applicants for assistance. In 1935 and again in 1936 the Unemployment Relief Branch issued regulations which provided, among other things, that the provincial government would assume responsibility for relief to those residents of the province who did not, under the rules, belong to any municipality. In the fall of 1936 an important step was taken, through the adoption of the Residence and Responsibility Act, to establish uniform residence rules for all types of social services. The provisions of this Act, which became effective as from April 1, 1937, replace older residence rules governing municipal responsibility to grant relief, health or welfare services or to contribute to the costs of such services under eleven separate schemes, including unemployment relief.

The Act prescribes that a person becomes a resident of a municipality (or of unorganized territory administered by the provincial government) if he has resided there without receiving any form of public relief for a period of one year; or alternatively, if he has resided there for a period of three years on relief, regularly or intermittently. If such a person moves to another municipality he is entitled, subject to certain limitations, to the same social service privileges as residents of that municipality, with the costs of such services chargeable to his municipality of residence. The Government is empowered to issue regulations "to discourage the undue removal of destitute persons from one local area to another" and to cover other matters of detail, and provision is made for the settlement of all disputes regarding responsibility by a Board of Arbitration. This Act, the writer believes, will prove to be a relatively permanent item in the social legislation of B.C. and will go far to solve the problem of provincial transiency.

Unfortunately the situation is not so favourable with respect to interprovincial transients. They are granted only partial social service privileges. Under the Residence and Responsibility Act the municipalities are specifically relieved of responsibility to provide social services for such persons, so that they must depend for assistance upon the provincial government.

During the depression British Columbia has fought consistently against assuming any obligation

to grant relief to transient single men. The province won its point when, in 1932-33, the Dominion agreed to pay the full costs of homeless men in subsistence camps. Then, from 1933 to 1936, the National Defence camps offered a haven for physically fit homeless men. During this period the provision of relief for transients ineligible for the National Defence camps (unfit men, men discharged from camp, etc.) was left to the province, which rather unwillingly assumed this obligation.

With the closing of the National Defence camps in 1936 a new situation was created. During the summer of 1936 the bulk of the men from the camps were engaged in railroad work. But in the autumn a great many drifted back to Vancouver and other centres and claimed relief. The provincial authorities stood out against these claims, fearing that if relief were granted freely large numbers of transients would flock to British Columbia. The situation, which threatened to be very difficult, was finally met by arrangements for temporary relief for some of the men and their transportation back to other provinces. Provision was made for others by setting up works projects during the winter of 1936-37 which were financed jointly by the Dominion and the provincial government. The Dominion stipulated that transients be given preference in employment on these projects.

Provincial relief policy towards those single transients not covered by the various Dominion or joint Dominion-provincial plans has varied from

time to time.¹³ While relief has been issued to large numbers of these men, efforts have been made periodically to cut off the relief lists all but the most needy cases, and to prevent the addition of new cases, particularly of brand new arrivals from other provinces. In the summer relief has been granted less freely than in the winter. There has been much uncertainty as to how long relief for single transients would be available. On matters of detail there have been frequent shifts in policy. The recent policy of the B.C. Unemployment Relief Branch is indicated by advertisements placed in prairie newspapers in 1936 and 1937. In these advertisements residents of the Prairie Provinces are warned that there is no employment to be obtained in B.C., and that they are not entitled to unemployment relief. But in practice it has not been possible to follow this policy consistently because of the danger of public disorder if their needs were not in some way recognized.¹⁴

¹³While the Dominion has adhered to a policy of grants-in-aid for some years, the amount granted has been increased or decreased according to changing conditions and uncertainty regarding the size of future grants has handicapped the provinces in formulating definite and permanent policies.

¹⁴Events of the summers of 1937 and 1938, show clearly the difficulty of cutting single men off relief entirely. In 1937 the provincial government stood pretty firm on this policy in spite of much grumbling by the men and various measures of protest by their organizations. Private organizations in Vancouver made provision for the most serious cases of need, and thus undoubtedly prevented trouble for the Government. But the policy proved unworkable in 1938. Against a "no relief" edict homeless men in Vancouver protested vigorously, first by organized soliciting of money on the streets and then by sit-down strikes in public buildings. A group of several hundred occupied the corridors of the Vancouver Post Office and the Art Gallery for about a month, until police ejected them forcibly—whereupon the men retaliated by smashing

(Continued on next page.)

As it has been pointed out previously, the Dominion has given no special assistance to the province to deal with transient family groups and single women. The province, therefore, has had to work out its own methods of dealing with these cases. In the early part of the depression, before relief rules crystallized, relief was extended quite freely to these persons. Since 1933 the official policy has been one of no unemployment relief for family heads and single women except to meet emergency needs and in special cases. In addition, consistent efforts have been made to transport back to their home provinces transient applicants for relief. During 1935 and 1936 attempts were made to stiffen the application of this policy.

But in actual practice the principle of no assistance except repatriation has been observed only partially. A large number of families, particularly those with less than one year's residence in the province before application for relief, have been returned to their home communities. But in the winter months it has been difficult to repatriate transient families and many have been kept on relief for some time with the expectation that in the spring or summer they would return to their home provinces. In some cases the families would refuse

hundreds of plate glass windows on nearby streets. After this the strikers moved to Victoria, the provincial capital, to make representations en masse to the Government. After standing firm for two weeks the Government agreed to a treaty of peace, whereby relief was to be given to those in need, pending the re-opening of winter work camps, on condition that those men who had no established residence in British Columbia return to their home provinces.

repatriation and would be denied relief. They would then succeed in living on their own resources for the summer and would not apply for assistance again until the next fall or winter. By this time they would be so well established in British Columbia that it would be practically impossible to insist upon their removal to another province. Relief would then be granted to them and they would become members of a 'hard core' of transient families supported by British Columbia.

Most of the other social services are granted to transients, both single persons and members of family groups, more freely than unemployment relief. Transients are admitted to general hospitals on the same terms as provincial residents. The provincial tuberculosis and venereal disease services provide diagnostic and treatment service freely. Mental hospitals and the provincial psychiatric clinics follow the same policy. The Welfare Branch of the Department of the Provincial Secretary gives poor relief allowances when the need is clearly indicated, while the Child Welfare Branch makes arrangements for temporary care for transient children. However, home medical service is available only for those transients who are in receipt of unemployment relief. Residence rules exclude transients from the benefits of mothers' pensions and old age pensions. Residence of three years in the province is required as a condition of eligibility for the mothers' pension and residence of five years for the old age pension.

While a number of the provincial services do not discriminate against transients in need, the administrative officials try to move them back to their province of residence whenever possible. Each year the mental hospitals repatriate a certain number of cases. Some tuberculosis patients are transported to their homes. Every effort is made to return transient children to the communities from which they have come. But repatriation is possible in only a proportion of these cases. Many transients have not "homes" in the ordinary sense and many do not have legal residence in any municipality or province. Others are sick and cannot travel. A family can scarcely be sent to a remote country district in Manitoba or Saskatchewan in the middle of winter. When the policy of repatriation is tempered with humanitarian consideration of particular cases it can only succeed in dealing with a portion of the transient problem. This means that the provincial health and welfare services, other than unemployment relief, are compelled to carry a substantial transient case load.

VI. An Appraisal of Transient Policy.

The fact that public opinion in British Columbia still considers the problem of interprovincial transients to be acute is a good indication that it has not been solved by the policies followed thus far by the Dominion and the province.

Homeless men, as it has been pointed out frequently, constitute the most difficult portion of the

problem. The action that was taken by the Dominion Government to provide relief for this group from the years 1932 to 1936, first through provincially operated subsistence camps and then through National Defence camps, undoubtedly met the basic requirements of a large number of men for food, shelter and clothing. The most evil conditions of 1931 and 1932, the jungles, aimless wandering, rod-riding, extensive begging, and "two meals and a bed", largely disappeared.

The new policy of employment for homeless men, initiated jointly by the Dominion and the province in 1936, has also proven to be a decidedly constructive measure. Since the summer of 1936 the physically fit transient in British Columbia has had a reasonable opportunity of earning enough money to maintain himself through jobs created on the railroads, on farms or in provincial work camps by the Dominion and the province during the most difficult part of the year—the fall, winter and spring months.

A special word of commendation is due the Dominion-provincial work scheme of 1936-37, in which about 5,000 men, including 1,200 transients, were placed during the winter months.¹⁵ The projects consisted of necessary and desirable undertakings operated by the Department of Public Works and the Forest Branch of the provincial government. The men were paid at a basic rate of 30 cents per hour for their labour, were allowed to

¹⁵A similar plan was operated during the season 1937-38 and another is projected for 1938-39.

work up to 200 hours per month and were charged 75 cents per day for board and lodging. Clothing was given to them, if necessary, when they entered camp, to be purchased from their earnings. When they left camp they were given only a portion of their wages, the remainder being held back, to be paid later at the rate of \$4 per week. Thus a man who spent about two months in camp would continue to receive "deferred pay" for six or eight weeks after he left and during this period he would not be eligible for any form of relief.

According to officials in charge of these projects, the men worked well and were reasonably satisfied with conditions. Attempts were made to organize strikes at some of the camps, but these met with small success. There is general agreement that this work and wages scheme was much more satisfactory, from the standpoint of the men, the administrative officials and the Government, than the National Defence camps with their pay allowances of only 20 cents per man per day.

British Columbia's practice of granting relief sparingly to single transients not in camp and of putting pressure upon them to move to other provinces has been described above. Relief administrators are convinced that the effect of this policy, particularly during the periods when it has been fairly rigidly applied, has been to discourage the movement of transients into the province. They state that information about relief spreads quickly by "grape-vine" amongst the homeless men through-

out Canada and that news of a generous relief policy in B.C. would bring them to the Pacific Coast in large numbers.

But to offset these favourable points regarding policy towards single transients there are some serious weaknesses to be noted.

For one thing, the provisions for homeless men have never been broad enough to cover all cases of genuine need. Only physically fit men acceptable to the Department of National Defence were admitted to the National Defence camps. While the provincial authorities were committed from 1935 to 1936 to provide elementary care for unfit men, they would not give relief to those whom they considered to be eligible for the camps. This meant that some men, such as those who were expelled from camp or who left of their own volition and were refused reinstatement, fell between two stools, the Dominion authority and the provincial authority, neither of which would do anything for them. Again, the province accepted reluctantly the responsibility of caring for physically unfit men, particularly the newer arrivals, and in practice they were often refused relief.

A second point which emerges clearly from a study of the situation is that it is not sufficient simply to provide employment for transient homeless men. A good proportion of these men, on account of age, physical disability, wandering habits or other handicaps, are not fit for employment in private industry or on Government work projects.

For these men some form of direct relief is necessary, along with special treatment according to their particular needs. Some of them may prove to be permanent charges upon the community, while others are capable of rehabilitation.

The shifts and uncertainties of policy on single transients have been a major source of difficulty in British Columbia. As it has been pointed out, the provincial authorities have hesitated to do much for transients lest they attract other unwelcome visitors. Always they have been handicapped in their plans by virtue of the fact that Dominion relief policy during the depression has been on an emergency basis, with plans being made ahead for only a year at a time. To the homeless men there has been apparent no consistency of policy and this has undoubtedly operated to make them very unco-operative and hard to manage. This point has been made repeatedly by the Committee on Homeless Men of the Vancouver Council of Social Agencies in a series of highly critical reports.

Repatriation, it appears, is a satisfactory solution for only a portion of the single transient cases. It is only possible to send a man back to his own community if he has a "home". Unfortunately a great many of the transients in British Columbia are literally "homeless" and have no valid claim to "residence" in any province, let alone any municipality. If such a man is sent out of British Columbia to Saskatchewan, for example, he will probably find it impossible to obtain relief there

and will be urged to move on again. This means he is wanted nowhere and is simply encouraged in habits of transiency.

According to a report from Abbott House, a hostel for single men in Vancouver, about half of the men applying for assistance in the spring of 1937 had no settled abode in Canada, nor did they have reasonable claims to residence in any one province. It may help British Columbia temporarily to refuse relief to these men and so to encourage them to move east, as it may help Manitoba or Ontario to dispose of them in the same way, but clearly this does not represent any solution of the national problem of homeless, wandering men.

Another weakness of relief policies is that these have not taken into account other needs of the transient men besides physical maintenance and employment. Their needs for health service, for recreation, for special training and for other services to rehabilitate them have been met but slightly. In so far as such services are available to residents in British Columbia they have generally been granted also to the transient men, but little or nothing has been done to meet the special problems of this group.

There is every reason to believe that relief policies have not been adequate to prevent deterioration of the homeless men. Prolonged idleness, subsistence on a meagre scale and movement from place to place inevitably have bad effects upon health and *morale*. The Dominion Minister of

Labour has pointed out¹⁶ the evil influence of the National Defence camps. It has been shown already that relief policy has operated, at least in some respects, to encourage transiency. The Homeless Men's Committee of the Vancouver Council of Social Agencies claimed in 1934 that it also operated "to force the young men into a life of vagrancy if not actual crime". In support of this contention they submitted an analysis of commitments to Oakalla Prison Farm, near Vancouver, showing that crimes among young men directly attributable to economic conditions had greatly increased during the period of the depression. The Committee stated categorically in their report that a great number of the younger men had been driven to crime who would not have taken this course if relief had been administered with greater consideration for social values. Since this report was made a good many transients have been committed to jail in Vancouver for begging on the streets or for participating in disturbances arising out of protests against relief regulations. According to the Secretary of the John Howard (prisoners' aid) Society, of Vancouver, one of the unfortunate results of these commitments is that young men are thrown into jail for the first time and that there they come in contact with old offenders who give them effective lessons in crime.

There has been persistent trouble in British Columbia, and particularly in Vancouver, over

¹⁶See page 184.

relief for homeless men. With large numbers of them dissatisfied, at least partially for good reason, they have responded readily to appeals from leaders, frequently Communist or Communist inspired, to make mass protests. In consequence there has been a succession of parades, demonstrations, strikes and protest meetings against relief policy. At times the situation in Vancouver has been tense, with the danger of widespread rioting and property damage imminent. One of the most serious incidents occurred in May, 1935, when a general walk-out from National Defence camps was arranged. They organized demonstrations to call attention to their plight and to force action by the public authorities. Among other things they marched into a leading department store and remained there until they were dislodged by police after a free-for-all fight in which there was much damage both to property and to heads. In view of the fact that changes in relief policy have followed upon such demonstrations, many of the men have come to believe that they can obtain fair consideration by the public authorities only by organized pressure of this nature.

The Homeless Men's Committee of the Vancouver Council of Social Agencies gave the considered opinion in January, 1936, that there must be worked out a definite and consistent policy "of caring for our single men that will tend to maintain or improve their *morale* and sustain a hope for the future". The Committee expressed the view that

unless this was done there would continue to be trouble such as strikes, imprisonment of transients for minor offences, encouragement of subversive organizations and societies and the usual aftermath of commissions of enquiry to determine the reasons for disorders.

The problem of relief for transient families and single women is less dramatic and has attracted far less public attention in British Columbia, but is in some respects even more complex. Two typical cases may be cited to show present difficulties.

The X family of four persons—a man and his wife and two children—came to Vancouver from a prairie town in 1936, partly because the husband, a skilled tradesman, had lost his job and partly because they were advised to move in the interest of the wife's health. Although they had a fair amount of money on arrival, the husband was unable to find work and they were compelled to apply for relief within six months. Relief was refused, but they were offered transportation back to the town from which they had moved. A Vancouver doctor advised that the wife was not in fit condition to be returned and Mr. X was informed by letter from the authorities of his former home town that he would not be eligible for relief there. The man then refused to return to the prairie and relief was eventually given to him.

The Y family arrived in British Columbia early in 1937, having given up a prairie farm. Out of their resources of \$400 they made a payment of

\$350 on a small farm and took possession. The husband has a history of mental instability and the wife received a mother's pension in another province. There are four young children in the family. At the time the report on this case was made it was pointed out that unless relief of some kind was given promptly there was danger that the health and well-being of the children would be gravely impaired. In this case they would be liable to removal from their parents, under provincial statute, as neglected children. But under the rules prevailing in British Columbia at present the husband is not eligible for unemployment relief, nor is the mother eligible for a mother's pension.

In both of these cases there were serious objections, from the standpoint of the welfare of the families concerned, against repatriation to the province of origin. In both instances the families had burned their bridges before they came to British Columbia and it would be difficult for them to re-establish themselves in the communities which they had left.

These two cases also show that unemployment relief is not the only social service which transient families need. They present problems of child neglect, of sickness, of mental illness, of tuberculosis and venereal disease infection, of delinquency, etc. Indeed, many of them are definitely in the category of "problem cases" for whom skilled social service treatment is necessary if they are to be rehabilitated. However, relief is absolutely necessary as

the foundation of any constructive plan for such families. As it has been pointed out, the provincial Unemployment Relief Branch considers it necessary to refuse relief to transient families, except in special cases, to discourage an inflow of outsiders. This means that other provincial services and private social agencies find it most difficult to work out constructive plans of assistance and rehabilitation for transient families. With no other alternative social workers are frequently compelled to concur in arrangements for the repatriation of a transient family when they realize full well that this is not in the best interests of the individuals concerned.

From what has been said, it will appear that under present conditions the provincial authorities are faced with a dilemma in dealing with the social service needs of transients. If they give relief and other services to transients on the same terms as to provincial residents they attract visitors or settlers from other parts of Canada, and thus incur an obligation to make very heavy expenditures for non-residents. On the other hand, by adopting restrictive relief rules and denying other services to transients they deal harshly and unjustly with a certain number of cases, they set up barriers against constructive measures of assistance and rehabilitation for the transient group, and they contribute to the degradation of Canadian citizens.

Under these circumstances it is not surprising that there have been inconsistencies in the administration of social services for transients in

British Columbia. The public authorities have felt compelled in self-defence to deny responsibility, but in practice the administration of this policy has been tempered with a large amount of humane consideration for the well-being of the transient group.

VII. The Transient Problem in Other Provinces.

There is space to make only a few notes on the transient problem in other provinces. All of them have had their troubles with transients, although none, perhaps, so much so as British Columbia. In the Prairie Provinces and in Northern Ontario the problem is felt more keenly than in Southern Ontario, Quebec and the Maritimes. By this time several of the provinces have gone some distance to deal with the problem of provincial transients by the adoption of uniform municipal residence rules, as under the B. C. Residence and Responsibility Act. Since November, 1934, such rules have governed responsibility for relief in Ontario. For several years similar rules have prevailed in Alberta and Manitoba. However, rules to govern municipal responsibility for relief are not always the same as those governing responsibility for other social services, and the rules vary from province to province. Hence most of the provinces continue to have trouble with provincial as well as inter-provincial transients, the former group presenting a serious problem particularly in those provinces, like Quebec, which are without uniform municipal residence rules.

Valuable material on the problem in Canada's largest city is given in the report of a special committee of the Montreal Family Welfare Association which was formed in 1936 to study the problem of social services for non-resident families in Montreal. The Committee states that "the rigid regulations of municipalities, especially that of Montreal itself, have made it quite impossible for many of these families to hope to gain residence. A lack of mutual arrangements for repatriation of such families and variations in relief and residence rules has intensified the problem, especially in a city like Montreal where many non-resident families gravitate. . . . Most families change their residence in a sincere hope to better themselves, only to find themselves without work and forced to go on relief."

Throughout the Dominion the problem of homeless men has been partially met by the various Dominion measures described above and by measures of Dominion-provincial co-operation such as those that have prevailed in B.C. Transient families and single women, on the other hand, have been left to the care of the provinces and municipalities. Generally speaking, the other provinces have followed the same line as B.C. in dealing with such persons, denying responsibility to provide social services for them, but tempering application of this principle with humanitarian considerations to a considerable extent. While only partial reports of conditions throughout Canada are at hand, they indicate that social workers in practically every

province have the same difficulties in working out constructive plans for transient families as social workers in British Columbia. Repatriation has been a favourite method of dealing with the problem, and there has been, therefore, much shipping of indigent persons back and forth across provincial boundaries. There has been also much cross-correspondence and negotiation between the various provinces regarding particular cases. All too frequently the interests of transients have been sacrificed to the desire of the respective provincial administrations to deny responsibility and so to avoid expense for themselves.

VIII. Conclusion.

Certain conclusions emerge from the preceding pages which, although they are based largely upon British Columbia experience, are believed to be applicable in large measure to the whole Dominion. These conclusions may be listed as follows:

1. Transiency is inevitable in a country such as Canada, with an intensely mobile population. In some respects depression operates to increase mobility of population. In periods of unemployment there is a constant movement of indigent persons from place to place and from province to province. This moving tide may be limited, but it cannot be stopped, by denial of relief and other social services to members of the transient group.

2. While unattached homeless men make up the most numerous group among the transients, a

surprisingly large number consist of families with dependent children. The family transients are generally immigrants who intend definitely to settle in new territory, while a high proportion of the unattached men are prepared to move anywhere in response to the attraction of jobs or better living conditions.

3. Interprovincial transiency is, on the whole, a more serious problem than provincial transiency. A number of provinces have gone some distance towards the adoption of uniform municipal residence rules and reciprocal arrangements whereby provincial transients are given equality of opportunity with municipal residents to obtain social services. Hence the problem of provincial transients has been partially merged, in most provinces, into the general problem of social aid for provincial residents.

4. Present methods of dealing with interprovincial transients by the Dominion and the provinces are only partially satisfactory. Constructive work has been done by the Dominion, with provincial collaboration, to provide relief and temporary employment for single men. While the value of recent efforts to care for unattached men must be recognized, these have by no means solved their problems. Many of the men are wholly or partially unemployable and they have other social service needs besides relief and employment placement. A good part of the problem of single men and the whole of the problem of transient families has been left to the provinces, which have had no

inducement to provide constructive services for these groups.

5. The central issue of the transient problem is the question of responsibility. So long as there are no uniform residence rules regarding municipal responsibility there is trouble with provincial transients. In view of the fact that there are no uniform residence rules to determine provincial responsibility for social services to any person, each province feels it necessary to deny service to new-comers lest it acknowledge them as its wards and attract other indigents from outside. At the same time each province urges transients to move back to their province of previous residence and assists them to do so, in many cases, by paying railroad fare. Thus transient indigents are being shipped back and forth constantly across provincial boundaries.

6. Many of the transients, particularly the unattached men, have been wandering back and forth across Canada for a number of years and cannot be said to belong to any province, according to any reasonable definition of provincial residence. Under present circumstances, and even under a system of uniform provincial residence rules, it would be difficult to determine the province of responsibility for a fair number of them.

These findings point the way to the next step in dealing effectively with the transient problem. It seems abundantly clear that the question of responsibility must be settled by uniform provincial and municipal residence rules. With this urgent

question settled arrangements can be made for the province or the municipality of responsibility to bear the costs of necessary relief or other social services granted to transients by other provinces or municipalities and for the orderly return of certain non-residents to their homes. It would seem to be quite possible for the Dominion Government, which is paying a large share of the costs of unemployment relief in every province, to prescribe uniform residence rules and methods of dealing with transients for purposes of relief administration. It would also seem possible that the Dominion should take the lead in persuading the various provinces to adopt reciprocal agreements with similar provisions regarding the eligibility of transients for other social services. Under such rules and agreements there could be provision for the repatriation of transients in cases where this was in their interests. In other cases they would be allowed to remain in the provinces to which they had migrated and there they would be entitled to the same social service privileges as residents of that province. Likewise, the various provinces should recast their municipal responsibility rules to provide for inter-municipal reciprocal arrangements. If these several steps were taken discrimination against transients would largely cease and they would be entitled to share, with provincial and municipal residents, the benefits of constructive programmes of assistance and rehabilitation.

It is not pretended that clarification of responsibility will solve the transient problem. The single homeless men, in particular, will continue to require special measures, organized and largely financed by the Dominion, and there are other problems of transiency which will require special treatment. But there is not much hope for constructive work in behalf of the transients until there is settlement on a national scale of the question of who is responsible for their care. This is the indispensable first step in an adequate transient programme.

V

PRAIRIE RELIEF AND REHABILITATION

W. L. JACOBSON

THE agricultural history of the open plains of the three Prairie Provinces is largely a ceaseless struggle against drought. The devastating drought of the past eight or nine years, combined with a period of lowest agricultural prices in history, has brought virtual bankruptcy to many thousands of once prosperous farmers and made those less successful even in the good years, wholly dependent on the governments for the very necessities of life.

According to evidence submitted to the Rowell Commission, appointed in 1937, to study federal and provincial relations, the total agricultural wealth produced in Saskatchewan alone, during 1926, 1927 and 1928 amounted to \$1,180,000,000, while the value of agricultural wealth produced in Saskatchewan during the drought years of 1931, 1932 and 1933, was only \$354,000,000 or a reduction of 70 per cent. in gross income. Further evidence submitted to the Commission, in the same brief, by the Saskatchewan Minister of Agriculture, indicated that had yields and prices between 1930 and 1936 remained as they were during the earlier period, 1918 to 1929 inclusive, the farmers of Saskatchewan would have obtained an income of \$1,000,000,000 more than they actually got.

Saskatchewan was hardest hit by the recent drought both in respect to area and number of people affected. A large portion of southern Alberta is subject to drought—in fact, the low rainfall area of the three Prairie Provinces centres in east central Alberta. However, much of the drought area in Alberta was largely depopulated during previous drought periods that did not affect either Manitoba or Saskatchewan so seriously, and in addition, drought conditions in Alberta were to some considerable extent mitigated through the operation of large irrigation projects which make use of water from glacier-fed streams flowing from the eastern slope of the Rocky Mountains.

Southwestern Manitoba is subject to drought of varying intensity and the area is much smaller than in either Saskatchewan or Alberta. However, the smaller area in Manitoba was seriously affected and, in addition, heavy losses were suffered through rust damages which have extended into a considerable portion of Saskatchewan, and particularly the southeastern part of Saskatchewan. Fortunately, this menace has been successfully overcome through the development of rust-resistant wheat produced by the Dominion Rust Research Laboratory and the Dominion Experimental Farms.

The open plains area of Manitoba, Saskatchewan and Alberta, is part of the great plains of the North American continent, which extends from Mexico in the south to a point some 260 miles north of the international border on the boundary line between

Saskatchewan and Alberta. Records show that three major drought periods of extraordinary intensity and duration have occurred throughout this area during the past 90 or 100 years.

In Canada, the open plain area comprises about 60,000,000 acres of land in the three Prairie Provinces and may be roughly described by a line drawn from a point south of the town of Morden in Manitoba, extending in a northwesterly direction to the town of Lloydminster on the Saskatchewan-Alberta border. From this point, the line extends in a southwesterly direction to the town of Cochrane, just west of the city of Calgary in Alberta, and thence southward to the international boundary line.

There are approximately one million people living in this area which includes the cities of Calgary, Lethbridge and Medicine Hat in Alberta, and Regina, Moose Jaw, Swift Current and Weyburn in Saskatchewan.

Approximately 25,000,000 acres of the total low rainfall area has been cultivated and this is about one-fifth of all improved farm lands in Canada, which gives some indication of the relative importance of this area to Canada's agriculture as a whole. Even more striking is the enormous agricultural wealth that has been produced on the prairies, in spite of the dry years.

During the past thirty years, it is estimated that wheat production alone in the three provinces has amounted to eight billion bushels, valued at

approximately ten billion dollars and to quote the Hon. J. G. Gardiner, then Premier of Saskatchewan, "during the six years, 1922 to 1928, southwestern Saskatchewan produced enough new wealth to wipe off the entire indebtedness of every kind in the whole province." As a result of eight or nine years of drought, however, coupled with low prices and greatly reduced purchasing power, severe hardship has been experienced, destitution has been widespread and very large expenditures have been necessary for relief.

For a discussion of the effects which drought had on the income and standard of living of the prairie farmer and for an appraisal of the measures of direct relief which in consequence became necessary, Saskatchewan as the province most severely hit has been used as an example. The presentation follows in broad outlines the brief submitted by the Government of Saskatchewan to the Royal Commission on Dominion-provincial Relations, especially Part VI (The Economy of Saskatchewan on Trial) and Part IX (The Economic Well Being of the People of Saskatchewan).

Effect of the Drought on Farm Income.

The revenue of the prairie farmer depends fundamentally upon the volume and price of his export staple, wheat. In the Province of Saskatchewan ordinarily 80 per cent. of the income is derived from that source and even in the depression years, 1930-36, when other sources of income gained in

importance, it has been around 70 per cent. Crop failure and decline in prices of wheat must therefore affect the very basis of the farmer's existence, especially if they occur over so long a period and to such a disastrous extent as has been the case in the last eight years.

Since 1928 the farmers of Saskatchewan have not received a fair return for their crop. The 1929 wheat crop had about two-thirds of the value of that of 1928; the 1930 crop, two-fifths; the small crop of 1931, one-fifth; the fair crop of 1932, one-quarter; the crop of 1933, one-fifth; that of 1934, one-quarter; that of 1935, about one-third; and the 1936 crop, rather more than one-third.¹

Where farming is more or less confined to growing one commodity, the farmer depends for his livelihood mainly on his cash income. This declined in Saskatchewan from \$334,000,000 in 1925 to \$66,000,000 in 1931 and has shown little improvement since. Ordinarily fully 80 per cent. of this cash income is realized from the sale of wheat and on the prairie plains this commodity accounts for as much as 90 per cent. of all cash receipts. The average yearly production of wheat for the nine years 1920-28 was 220.5 million bushels; that for 1929-37 was 138.6 million bushels—a reduction of more than one-third. At the same time prices slumped in an unprecedented way in spite of the improved quality of wheat in some of the depres-

¹Wm. Allen and E. C. Hope, *The Farm Outlook for Saskatchewan, 1937*, Saskatoon, 1937, p. 2; quoted in the Saskatchewan Brief, p. 171.

sion years. The wheat crop of 1932 was the largest since 1928 and graded higher than any crop in the last twenty years, but it was sold at an average price of 35 cents a bushel, whereas the extremely low grade crop of 1928 brought 77 cents a bushel.

Owing to these conditions in a large part of Saskatchewan, the gross income of the farmer was insufficient to meet cost of operating expenses, even when the utmost economy was exercised and when all postponable repairs and replacements were ignored. In 1933 Dr. William Allen estimated that a return of \$6.80 per acre was necessary to clear minimum expenses without interest on debt.² According to this estimate, on the basis of 16.5 bushels of wheat per acre, the minimum necessary to enable a farmer to carry on without outside assistance would be about \$5.30 per acre of wheat. Allowing for the fact that the provincial average for the years 1930-37 was 9.4 bushels per acre, that Saskatchewan farms are larger than the average for the Prairie Provinces, and that all capital replacements may be ignored for a year or two, a farmer might manage to live without outside assistance on average gross receipts of about \$4.50 per acre; to pay taxes as well would require \$5.50 per acre; and to meet debt interest, at least \$7. These returns would not, of course, begin to maintain farm equipment.

The following table taken from the Saskatchewan Brief shows better than any words could do how

²Quoted in the Saskatchewan Brief, p. 177.

many districts (given in italics) have been below these minima between 1930 and 1937.

DISTRICTS	1930	1931	1932	1933	1934	1935	1936	1937
	\$	\$	\$	\$	\$	\$	\$	\$
Southeastern	5 83 1 29 3 63	3 29	2 01	1.40	3 96	2 31		
Regina-Weyburn	4 56	.11 3 32	5 13	2 01	2 95	7 39	<i>Nil</i>	
South-central	3 25	61 2 37	1 18	1 23	5 98	2 82	<i>Nil</i>	
Southwestern	5 74	1 60 4 96	1 32	1 60	4.20	<i>Nil</i>	<i>Nil</i>	
Central	4 28	2 66 3 53	1 93	3 98	7 38	7 93	<i>Nil</i>	
West-central	8 65	4 52 5 39	1 23	4 33	5 00	3 34	<i>Nil</i>	
East-central	6 82	3 57 5.49	10 30	10.12	4 10	14 26	6 93	
Northeastern	10 62	7.79 7 11	7.10	9 27	9 32	11 35	8.91	
Northwestern	13 07	7 28 6.65	5 07	10 12	7.98	5.81	4 73	

(Brief, p. 178)

The situation of the farmer was further aggravated by the fact that the prices for the goods which they had to buy had not declined to the same extent as prices of wheat. The index of 147 items a farmer has to buy was reduced from 162 in 1929 to a low of 124 in 1933; while wheat prices dropped during the same period from 152 to 52 (1914=100 in both cases).

All these conditions resulted in a considerable lowering of the standard of living in the drought-stricken areas and might in some parts have led to starvation if the Government had not given assistance. Observers travelling in the Saskatchewan drought district in 1934 reported that there were children who had not tasted any other vegetables but potatoes in over two years.³ Malnutrition has been reported by medical experts and deficiencies

³D. B. MacRae and R. M. Scott, "In the Drought Country", a reprint of a series of articles which appeared in the *Winnipeg Free Press*, the *Regina Leader Post* and the *Saskatoon Star Phoenix*, Saskatoon, 1934, pp. 18-20; quoted in the *Saskatchewan Brief*, p. 291.

in diet emphasized, especially a shortage of vegetables and fruit.

The supply of clothing, too, proved utterly insufficient after several years of drought. This was felt the more as the cost of working clothes which could not be dispensed with was relatively high. To quote the observers mentioned above: "Clothing has been reduced to a minimum and bed clothes are reported as a great necessity, being but a remnant of what they once were and worn thin with age . . . the people live simply and modestly so that reduction from their scale of living means more to the farmer and his family than would at first appear."

Direct Relief.

To meet this emergency relief had to be given to the farmers in the drought areas continuously from 1929 to the present day. The method of administering this assistance and relief has been revised several times during the eight-year period. In 1929 and 1930, when the south-central section of the province, an area containing an agricultural population of about 150,000, suffered severely from drought, responsibility for the provision of direct relief and agricultural assistance was shared by the provincial government and the municipal governments. The former, with the assistance of grants-in-aid from the federal government, spent about \$4,000,000 on relief road work during the years 1929, 1930 and 1931, employment being restricted

to farmers who had suffered partial or complete crop failure. It also provided assistance in forms such as free transportation of feed, et cetera into the stricken area.

But the greater part of the burden fell on the rural municipalities. These financed advances to farmers through the banks on the strength of provincial government guarantees—in consequence their bank-indebtedness increased rapidly. When in 1931 drought devastated a much larger area than in either 1929 or 1930 and wheat prices continued to fall, the problem became one of such magnitude that neither the municipalities nor the province could cope with it without federal support on a large scale.

In August, 1931, the Saskatchewan Relief Commission, a centralized Government organization, consisting of a board of five members, an advisory committee of twelve and a general manager, was established.⁴ The dried-out area was zoned by the Commission according to the number of crop-failures experienced. The worst area, embracing 93 rural municipalities and local improvement districts which had experienced three successive crop failures, was classified as the "A" area. A slightly smaller area, consisting of 76 municipalities which experienced two crop failures, was classified as the "B" area. Another, comprising 69 municipal units and known as the "C" area, had lost one crop. All these areas were situated in the south of the province.

⁴Statutes of Saskatchewan, 22 Geo. V., 1932, C. 74.

An additional relief problem had arisen in some 90 rural municipalities in the northern section of the province to which farm families from the dried-out area had migrated, carrying with them some farm and household equipment, but possessing no means of support. Only a very small part of the province was free from relief problems.

The federal government contributed to the expenditures of the Commission on the basis of: (a) 100 per cent. of direct relief, feed and fodder costs and grazing dues in the "A" area; (b) 100 per cent. of direct relief costs for those moved from the "A" area to other parts of the province; (c) 50 per cent. of relief costs in the "B" area; (d) 50 per cent. of expenditures for movement of settlers' effects and live stock from the "A" and "B" areas at a reduced rate arranged with the railways; (e) 50 per cent. of freight charges on shipments of food supplies and other commodities sent to the "A" area by churches and other organizations in Canada for distribution by the Commission; (f) an expenditure of \$84,886 for medical relief in the "A" and "B" areas. The provincial government and the municipalities were financially responsible for all other relief expenditures by the Commission. The municipalities were, in the main, unable to contribute though they entered into agreements to reimburse the Commission for one-third of the cost of relief distributed to their respective ratepayers. Advances made by the Relief Commission in 1931 and subsequent years were (with the possible exception of medical assistance)

in form at least, loans. A straight promissory note was taken for direct relief advances but a lien, acting as a first legal charge on the crops of the individual in the year of the advance and the succeeding year was taken as security for seed, feed and fodder, tractor fuel, binder-twine and repairs. Cash repayments for relief advances 1931 to 1934 amounted to about \$2,000,000. Relief notes of 1931-32 to the amount of \$12,506,723 were cancelled by the federal and provincial governments in 1933.

The expenditures of the Relief Commission in its first year of operation, with nearly 50 per cent. of the total rural population in receipt of Government assistance in some form, amounted to \$18,740,672, of which \$9,870,916 was chargeable to the Dominion and \$8,869,756 to the province and the municipalities. In 1932, in spite of a fair crop, falling prices made it necessary for the Commission to carry on. Its total expenditure in 1932-33 amounted to \$3,287,665, the federal government contributing \$713,405 and the province assuming responsibility for the rest. In 1933-34, with nearly one-third of the agricultural population of the province receiving Government assistance, expenditure mounted to \$13,506,492. The Dominion contributed \$2,064,482 and the province, \$11,442,010, including \$2,431,371 chargeable to the rural municipalities.

The Commission was aided in each of these years by the churches and other voluntary agencies, organized in 1932 in the Saskatchewan Voluntary

Rural Relief Committee. In 1933-34 the Committee distributed 279 car-loads of vegetables, fruit and clothing, 6 car-loads of flour and feed grain, and 60 car-loads of coal for schools. In subsequent years the activities of the Committee were extended on an even larger scale.

In the summer of 1934 the Relief Commission was replaced by a less highly centralized system and relief assistance was divided into two separate categories, direct relief and agricultural re-establishment. The Bureau of Labour and Public Welfare in the Department of Municipal Affairs was charged with supervision of direct relief, and the Department of Agriculture with agricultural re-establishment. The municipalities were called upon to play a much more active part in the administration of each type of assistance, and the principle of treating all relief advances as loans was continued.

In 1934-35 direct relief was provided in about 200 municipalities and local improvement districts in the drought area at a cost of \$6,500,000. Similar assistance in the northern relief area cost \$690,083. Expenditure on agricultural re-establishment amounted to more than \$14,000,000. To meet these costs the Dominion advanced \$9,000,000—the balance of more than \$12,000,000 being chargeable to the province and the rural municipalities.

In 1935, not drought but rust made relief necessary. Government assistance was given in some 225 rural municipalities and local improvement districts, the municipalities accepting responsibility

for one-third of the cost in each case, although a large number were unable to make any contribution to immediate expenditure. In the southern relief area expenditures totalled slightly less than \$8,000,000, divided about evenly between direct relief and agricultural aid, and in the northern area \$793,028. The total burden in this year was borne by the province and rural municipalities.

In 1936 the recurrence of severe drought forced a third of the rural population on relief again. The federal government agreed to meet 100 per cent. of the costs of direct relief and winter maintenance of live stock from September 1, 1936, to March 31, 1937, in the federally defined drought area of 149 rural municipalities and local improvement districts, no repayment by recipients being required. But provincial advances for seed, feed, tractor fuel and implement repairs, creating the usual charges against the crops and lands of recipients, amounted to about \$6,500,000.

The federal agreement with respect to direct relief in the drought area was continued and the complete failure of crops and pastures over most of the province in the summer of 1937 necessitated emergency grants to save live stock, and additional expenditures for direct relief as distress increased. The total cost of the relief year ending August 31, 1937, was in excess of \$8,000,000 for direct relief in the drought area and nearly \$10,000,000 for agricultural aid. Government assistance in the northern area amounted to \$1,030,976 for the same period.

The federal government contributed \$5,572,935 toward direct relief and \$2,612,779 toward agricultural aid in the drought area, leaving a balance of about \$10,000,000 to be carried by the province and the rural municipalities.

In the winter of 1937-38 direct issues of food were supplied by the federal government to people in the drought areas of Alberta and Saskatchewan. Over 1,100 car-loads of food were distributed including vegetables, fish, beans and cheese shipped in from Ontario, Nova Scotia and British Columbia. An additional 700 car-loads of food, vegetables and clothing were shipped in through voluntary contributions from churches and other organizations from all parts of Canada. Where relief in cash was given, food allowances for a family of five for one month was \$20.20 in 1937. It had become necessary to raise gradually that allowance as the reserves had been used during the drought period. In 1933-34 the allowance had been \$10 plus a 98 lb. bag of flour; in 1935, \$13.15 and in 1936, \$16.50 without separate allowances for flour. If the relief applicant had meat, 15 per cent. was to be deducted from the allowance; if dairy products, a further 10 per cent.; for vegetables 10 per cent.

Throughout the drought years hospital and medical aid was provided and financed by the province for residents in the drought areas.

Practically all the money to finance the \$85,000,000 of rural relief expenditures in the six years 1931-37 came from the federal treasury. The

revenues of the province shrank rapidly with the collapse of wheat prices and soon proved inadequate to meet the ordinary expenditures of government. The relief of unemployment in urban centres added to the strain on provincial finances. Further outside borrowing became almost impossible as deficits accumulated and the public debt nearly trebled. Total relief expenditures by the province since September 1, 1929, amounting to \$110,602,638 at April 30, 1937, exceeded the total ordinary revenues of the province for the same period. Of this sum cash advances made by the federal government under relief legislation over the same period totalled \$93,546,558, of which approximately \$35,700,000 was by way of contribution and \$57,844,000 was by way of loan. These amounts have been substantially increased by further advances.

Other Emergency Means of Relief.

1. *Feed and Fodder* were supplied in order to maintain live stock and while the amounts varied from year to year, according to the intensity of the drought, the amount required for the 1937-38 relief year was estimated at 400,000 to 425,000 tons.

2. *Free Freight*, in addition, was provided to those who had funds for purchasing their own feed or fodder. This was financed by the federal and provincial governments in previous years. During the 1937-38 year, this cost was assumed by the provinces.

3. Under the *Feeder Freight Policy*, reduced freight rates were extended to those in other provinces wishing to purchase stock in the west for feeding.

4. To meet the extreme feed shortage following a total crop failure over a large part of the drought area in 1937, the federal government inaugurated an optional marketing plan during the Fall of 1937. Under this plan, live stock in the drought area was assembled and purchased by the federal government. Part of the stock was graded and shipped to packing plants and the balance was shipped to a central pasture at Carberry, Manitoba, where it was graded and sold by private sale or auction to packers and feeders. Ninety thousand head of stock were marketed under this plan in the Fall of 1937, and aside from relieving the feed situation, the marketing of stock under this plan, served to stabilize the market price, by preventing a large number of poorly finished cattle being rushed to the markets in the Fall.

5. Under a farm placement plan inaugurated in 1934, men and women were placed on farms and in homes and by way of assistance to their maintenance and wages, the Dominion Government has contributed from \$10.00 to \$15.00 a month for each worker. The farmer receives five dollars and the labourer the balance.

6. Other emergency measures of relief have to do mainly with debt adjustments, principally with

farm machine and mortgage companies and tax arrears. The Saskatchewan Government evolved a plan of a voluntary nature of debt reduction and debt cancellation and ten millions of private and public debt has been or is being written off completely. In addition, protection debt legislation has been enacted by the provinces. In Alberta, legislation has been placed on the provincial statutes for the purpose of debt reduction whereas in Saskatchewan debts have been reduced or cancelled by mutual agreement.

More permanent forms of relief include:

1. The northern settler re-establishment plan whereby a great many families have been assisted in moving from the less favourable soil areas to the northern parts of the provinces and also to other provinces. Freight on stock and equipment to new locations was provided and some assistance granted toward transportation of the family.

2. A youth training plan inaugurated in 1937 for the purpose of giving young men and women opportunity for training along practical lines to fit them for their chosen trade or profession. Short courses organized by the extension departments of the universities were held during the winter of 1937-38 at central points in the provinces. The courses were well attended and the success achieved the first year indicated the need of continuing the youth training plan. The Dominion Government contributed \$80,000 for this work this year.

The Prairie Farm Rehabilitation Programme.

The major weapon in the battle against the drought is The Prairie Farm Rehabilitation Act which was passed by the Parliament of Canada in April, 1935, to provide for the rehabilitation of the drought and soil drifting areas in the open plains of the provinces of Manitoba, Saskatchewan and Alberta.

The work being done under the Prairie Farm Rehabilitation programme is, strictly speaking, the responsibility of the provinces, particularly since the natural resources including lands and surface water were transferred from Dominion control to Manitoba, Saskatchewan and Alberta. The problems arising out of drought, however, in the open plains area of these three provinces are of such magnitude that their solution must of necessity be worked out on a national scale. At the same time the Dominion Government is, so far as the expenditure of federal funds is involved, directly concerned in alleviating conditions of drought to the greatest possible degree and thereby reducing and if possible entirely eliminating the necessity of expending public funds for relief in the drought area.

It may be considered sound business on the part of the Dominion Government to give leadership and financial assistance in establishing a more secure and self-sustaining agriculture on the prairies. There is no reason to doubt that years of more abundant rainfall will return sooner or later and it

might be accepted as a certainty that drought such as has occurred in the past will recur. A danger to be considered is that with the return of rainfall, need of rehabilitation may be forgotten particularly since the object of the Prairie Farm Rehabilitation Programme in establishing a more secure agriculture and providing against the dry years can be best achieved during years of more favourable rainfall. It is for this reason chiefly that rehabilitation work needs to be carried on continuously.

An important factor contributing to results so far achieved under the Prairie Farm Rehabilitation Programme is the active public support received. This support is not only important in that it reflects an earnest desire on the part of all concerned to establish a more secure livelihood on the open plains and their belief that this can be done, but it also is important in that general public support is necessary for success because of the widespread and general nature of the work.

While very definite results have been achieved in practically all lines of activities under way, much of the work so far has of necessity been of a preliminary nature and it is only within the last year that a more definite working policy has been evolved. While three-quarters of a million dollars was voted for the fiscal year 1935-36, only \$342,424.01 was expended. During the fiscal year 1936-37, a total of \$627,798.61 was expended of the million dollars voted. A larger portion of the vote has been expended during the present fiscal year,

1937-38, since it is estimated that out of the two million appropriated, \$1,775,000 will be expended and with the preliminary surveys and studies that have been made, it is estimated that upwards of four million dollars may be effectively expended during the coming fiscal year.

An essential feature of the work outlined under the original Act was to provide assistance and encouragement on a self-help basis in rehabilitating individual farmers including assistance in the conservation of surface water supplies for household, stock-watering and irrigation, re-grassing, tree planting, reclamation of land damaged by soil drifting and assistance in soil drift control largely through local agricultural improvement associations organized from the various Dominion Experimental Stations in the open plains area. Assistance was also given under the Act to the universities of the provinces in continuing and extending soil surveys and for an economic survey in co-operation with the provincial governments.

In 1937 the scope of the Act was extended to provide for rehabilitation on a community basis including the establishment of community pastures in the open plains area where the soil and climate have been found by experience and survey to be unsuited for grain farming. The Act was amended to make it possible for Parliament to vote more than \$1,000,000 a year and to provide for the appointment of more than one Advisory Committee to assist the Minister of Agriculture in administering the Act.

The sum of \$2,000,000 was voted for the fiscal year 1937-38 on the understanding that approximately \$1,000,000 would be expended for the purpose outlined in the original Act and that the additional \$1,000,000 voted would be expended for rehabilitating communities rather than individuals by taking non-arable areas out of grain and establishing community and reserve pastures.

Detailed supervision of the Prairie Farm Rehabilitation work was, at first, largely performed by the Dominion Experimental Farms. With the extension of the programme, however, the work has become too heavy to carry on under the Experimental Farms alone and a separate branch under a Director of Rehabilitation has been established to handle all water development work and land utilization including establishment of pasturage on lands withdrawn from cultivation. Purely soil reclamation work, including soil drift control, tree planting, re-grassing and other work pertaining to lands to be kept under cultivation, will remain in charge of the Experimental Farms.

About 25 per cent. of the total area seriously affected by drought is considered non-arable owing to poor soil and unfavourable climatic conditions. These non-arable areas, which are quite widely distributed over the open plains, vary from lands where a few individuals are able to make a living to lands where settlers should not be encouraged to remain. The Prairie Farm Rehabilitation Programme therefore involves two main divisions

including (1) the problem pertaining to non-arable lands in so-called marginal areas which are to be taken out of grain growing and community pastures established, and (2) the larger areas of better lands where conditions are more favourable for grain farming.

Community and Reserve Pastures.

The Advisory Committee on Land Utilization was appointed to advise the Dominion Minister of Agriculture with respect to the policy in dealing with the non-arable areas under the Prairie Farm Rehabilitation Programme involving the withdrawal of these lands from cultivation, removal of settlers to better lands, re-grassing, water development and the establishment of community or reserve pastures.

The main features of the procedure provide that the provincial government involved is to assume the responsibility for selection of areas of non-arable lands for use as community pastures and to make recommendations to the Dominion Government. The procedure also provides that the provincial governments may enter into agreement with the Dominion Government to place with the Dominion control of any lands involved to insure permanence and to avoid any possibility of re-settlement in the event of wetter years returning. So far, Saskatchewan is the only province that has made an agreement with the Dominion. Manitoba has only a limited area of sub-marginal land

suitable for the establishment of community pastures and Alberta has not yet reached any agreement with the Dominion Government with respect to establishment of community pastures on lands unsuitable for grain growing.

During 1937, 16 community pastures were established in the drought area of Saskatchewan, varying in size from approximately 6,000 acres to 25,000 acres each, and involving a total area of some 180,000 acres. In addition some 30 community pastures were investigated during 1937 in Saskatchewan involving approximately 400,000 acres of land. The Saskatchewan Government also submitted for investigation 5 special areas involving 1,350,000 acres where it is proposed to establish reserve pastures for the purpose of not only withdrawing the lands from cultivation but also from grazing, to provide reserves of feed and grass for the drier years and finally to inaugurate a large-scale range improvement programme. The removal of these areas from grain growing and the establishment of community pastures are considered of fundamental importance in improving the agricultural set-up of the open plains area, not only in reducing relief expenditures for individuals in these areas which are too low in production because of soil and climatic conditions to sustain the population, but also in using these lands for the only purpose for which they are suited.

In utilizing the pasture areas which are being established, the Minister of Agriculture suggested at a conference held in Regina, May 6th, 1937, for

the purpose of organizing the land utilization work under the Prairie Farm Rehabilitation Programme that these lands should be made breeding areas for the production of calves and feeders rather than finished cattle. The breeding of a uniform and suitable type of cattle would be necessary to make this successful and to meet the demands of the Old Country market. The plan as outlined by the Minister not only provides for the use of non-arable lands in the open plains which are being taken out of grain production and used for the establishment of pastures but also provides for the utilization of feed produced in Eastern Canada in preparing these cattle for finishing in the Old Country. Western Canada bred cattle are favoured in the Old Country because they are healthier and it has been found that they do better when moved from the Western Plains to Eastern Canada and then to the Old Country.

Water Development.

Substantial progress has been made in the phase of the rehabilitation programme devoted to the conservation of surface water for domestic and stock-watering purposes and for irrigation where feasible. This work includes two main classes such as community projects either for stock-watering or irrigation and individual projects including dug-outs, stock-watering dams and small irrigation schemes. Construction of the community projects is administered directly from the Prairie Farm

Rehabilitation Office in Regina while the smaller projects are administered through the water rights office of each province.

Since the work started in 1935, 8 community projects have been constructed in Manitoba, all for stock-watering and domestic use. Some 10 storage reservoirs have been constructed or are under construction in Saskatchewan for irrigation purposes in addition to some 27 community stock-watering dams. The total estimated storage capacity of all community projects completed or under construction in Saskatchewan is estimated at 127,614 acre-feet and the 10 irrigation reservoirs it is estimated will provide water for nearly 50,000 acres of land. Some 10 irrigation projects have been completed, repaired or are under construction in Alberta involving a total of 43,535 acres of land and 26 community stock-watering dams.

The possibilities of utilizing surface water particularly for irrigation are greater in Alberta than in either Saskatchewan or Manitoba owing to the proximity of Alberta to the eastern watershed of the Rocky Mountains and the opportunity for diverting at a reasonable cost water from the several rivers which flow through the foothills. Large irrigation works were in existence before the Prairie Farm Rehabilitation Programme was inaugurated in 1935. Prior to that date it had been estimated that from \$50,000,000 to \$60,000,000 had been expended in constructing irrigation works in Alberta to irrigate over 1,000,000 acres of land. To

date about half of this area has been developed and these irrigated lands have proved an important and vital stabilizing factor during periods of drought even though large irrigation development in Alberta has suffered through over-development during the earlier years of settlement owing to the long wait for settlers. Much of the work deteriorated beyond repair without heavy expenditure or being rebuilt without ever being used. One large project was constructed on the fringe of the low rainfall area and later years proved that the rainfall was sufficient to dry farm quite successfully without irrigation. This project involved an area of some 217,000 acres of irrigated land where water is now being used only to a limited extent.

The economic and agricultural value of the large irrigation projects located out in the open plains area of southern Alberta has been demonstrated particularly during the past 7 or 8 years. The fact that less than \$800,000 was expended for feed and fodder relief in Alberta during the fiscal year 1936-37 and not likely over \$750,000 is to be expended during the fiscal year 1937-38 is due no doubt in a large measure to the existence of these large irrigation projects throughout the drought area and had the works now constructed been fully developed and in operation, southern Alberta could have easily had a surplus of feed for use in other parts of the drought-stricken areas.

The principle underlying financial assistance from public funds for the construction of community

irrigation projects is that these works are of such a nature and the benefits are of such general community value that the cost of constructing the necessary works is not properly charged to the land that is actually irrigated. Moreover, the expenditure of public monies for feed and fodder relief during periods of dry years can, it is believed, be most effectively reduced by the development of projects to utilize to the fullest possible extent all available water supplies in the open plains area. The Advisory Committee has not, however, approved expenditures of public funds for the construction of the very large irrigation schemes that have been proposed owing to high costs. While the cost of constructing necessary works for the smaller community irrigation projects is considered properly chargeable to public funds—where there is evidence of community benefit, it is recognized that the cost of maintenance and operation for any project so constructed must be paid for out of production from the lands irrigated. Any project which does not pass this test has not been recommended; for example, the projected North Saskatchewan Irrigation Project involving a possible area of over 1,400,000 acres and entailing the construction of a canal extending from the foothills in Alberta, across central Alberta into central Saskatchewan. There are, however, extensive areas in southern Alberta where it is considered economically feasible to undertake additional irrigation development on a community scale owing chiefly to the relatively low

cost of diverting water and the proximity of the lands to be irrigated to the water supply.

So far, irrigation development under the Prairie Farm Rehabilitation Programme in Alberta has been confined largely to the extension and repair of existing projects, including the Eastern Irrigation District where P.F.R.A. funds have been expended to the extent of \$22,400, making some 14,000 acres of additional land irrigable. An additional \$50,000 is being expended on the Rolling Hills Section of the Eastern Irrigation District where some 30,000 acres of virgin land will be made irrigable. During 1936 and 1937, \$80,000 was expended for repair of the Canada Land and Irrigation Company project where some 250 farmers are irrigating over 34,200 acres of land. Other projects in Alberta include the expenditure of \$3,000 in repairing the works of the Mountain View project involving some 3,600 acres of irrigable land, and the drilling of an exploratory gas well on the Red Deer River near Atlee, Alberta, for the purpose of determining the possibility of finding gas for use in pumping water from the Red Deer River for irrigation purposes. Atlee is located in what is considered the driest portion of the open plains area and where feed production is a serious problem. The well has not been completed.

Irrigation development in Saskatchewan is restricted entirely to new projects and the principal development has so far been confined to the Cypress Hills area in the southwest of the province and the Souris and Moose Mountain rivers in the southeast.

The Cypress Lake reservoir now under construction is considered the key to development of the Frenchman River and Battle Creek for irrigation purposes in the southwest. This reservoir when completed will have a storage capacity of 70,000 acre-feet and is to be used for storing water from the Frenchman River and its tributaries and also from Battle Creek for irrigation purposes in these two drainage basins. Projects so far completed to utilize water from the Cypress Lake storage are the Eastend and Val Marie projects involving a total area of over 9,000 acres when fully developed. The Cypress Lake storage project when completed will provide water, it is estimated, for over 20,000 acres of land including approximately 10,000 on the Frenchman River and 10,000 on Battle Creek.

While 1,215,000 acres of land are irrigable in Saskatchewan so far as engineering and water supply are concerned, over 925,000 acres of this area could not be irrigated without the construction of works that would be too costly. The most that can be economically irrigated in Saskatchewan is estimated at 100,000 acres so far as the construction of community projects is concerned. In addition approximately 150,000 acres may be irrigated by the development of individual schemes, making a potential maximum of 250,000 acres of irrigable land in the province. This area is not large compared to the potential irrigable area in Alberta, where mountain streams provide more abundant water supplies and where topographical conditions

afford more opportunity for diverting water economically. The full development and utilization of the quarter of a million acres of irrigated land in Saskatchewan would, however, play an important part in providing feed for use in conjunction with the community pastures being established and in permanently rehabilitating the areas most affected by drought.

Largely because of the relatively high rainfall, there has been no irrigation development of any consequence in Manitoba.

Small Water Development Projects.

A part of the Prairie Farm Rehabilitation Programme that has received widespread attention and support is the assistance being provided to individual farmers and ranchers in conserving surface water supplies for domestic and stock-watering and irrigating purposes. Since the work was started in 1935 and up to January 15th, 1938, over 11,000 applications were received from the three provinces, including 1,800 from Manitoba, over 7,100 from Saskatchewan and nearly 2,500 from Alberta. Nearly 5,500 have been authorized or approved for construction and 4,600 completed or reported completed including 2,600 dugouts, over 1,600 stock-watering dams and over 400 individual irrigation projects.

While the conservation of moisture for crop production through cultivation as compared with the conservation of surface water is of major importance

in the open plains area, it is a fact nevertheless that the full development of surface water resources is fundamental in the rehabilitation of agriculture throughout the drought area, not only to provide water for household use and stock throughout the farming and grazing areas but also to grow vegetables during the drier years and to grow feed to supplement dry land crops during periods of drought.

In addition to engineering services, financial assistance is provided under the Act to individuals in constructing dugouts, stock-watering dams and small irrigation projects. For dugouts, assistance is based on $4\frac{1}{2}$ cents a cubic yard for earth excavated up to a maximum of \$75 and for dams, assistance is based on $4\frac{1}{2}$ cents a cubic yard for earth excavated plus 25 cents a cubic yard for rock-work and 100 per cent. cost of materials up to a maximum of \$150 for all three items in the case of a stock-watering dam and \$350 for individual irrigation projects.

During the fiscal year 1937-38, the total paid in direct financial assistance for this work was \$208,210 in the three provinces. The total paid out during the fiscal year 1935-36 was only \$4,790 and during the fiscal year 1936-37 financial assistance for this work amounted to \$85,000.

Rehabilitation Work on the Arable Lands of the Open Plains.

While the work of the Advisory Committee on Land Utilization is confined to the portion of the

open plains area unsuitable, because of soil and climatic conditions, for grain growing and estimated at approximately 25 per cent. of the 60,000,-000 acres affected by drought, all rehabilitation work in connection with the arable areas is carried on largely through the Dominion Experimental Farms including district experiment sub-stations, reclamation stations, agricultural improvement associations, re-grassing, tree planting, cereal production, soil investigation and seed supplies. Other activities include entomological surveys, aerial surveys and economic surveys.

District Experiment Sub-stations.

Forty-three district experiment sub-stations have been established in the three provinces where special problems exist. These stations are devoted to demonstrational and experimental work in the production of crops in areas affected by drought and soil drifting. For the most part they consist of one section of land and are privately-owned grain farms operated by the owner under direction and supervision of the Dominion Experimental Farm.

Agricultural Improvement Associations.

In addition to the establishment of district experiment sub-stations throughout the low rainfall area in the three provinces, the rehabilitation programme provides for the organization of agricultural improvement associations where individual farmers and ranchers voluntarily organize for

community activity in controlling soil drifting. The introduction of summer fallow in 1885 and Marquis wheat in 1912 were two major factors in making the Canadian prairies one of the important wheat-producing areas in the world. The more recent introduction of improved cultural practices including strip farming and trash cover are considered equally important in controlling the evil of soil drifting. Serious damage has already been done in many areas by soil drifting or wind erosion even though the potentially productive power of the area has not been greatly reduced. Soil drift control is vitally important, however, in establishing a permanent agriculture on the open plains. To date 100 agricultural improvement associations have been established in the three provinces, including 12 in Manitoba, 65 in Saskatchewan and 23 in Alberta.

Another activity being carried on through the Experimental Farms includes reclamation stations established for the purpose of reclaiming wind-eroded soil for agricultural use and of re-establishing suitable grass cover on land which has been severely damaged by drought and soil drifting and has become a menace to adjacent arable lands. This work is essentially experimental and so far stations have been established at Melita in Manitoba and at Mortlach and Cadillac in Saskatchewan.

Re-grassing is an important part of the rehabilitation work and over 32 stations have been

established, including 18 in Alberta and 14 in Saskatchewan. These stations are experimental and demonstrational where the best methods for re-establishing grass on land subject to drifting are being determined for varying conditions. Re-grassing of community pastures where necessary is being done through the Dominion Experimental Farms and grass seed in small quantities is being supplied to members of agricultural improvement associations for the purpose of establishing seed plots.

Crested wheat grass is being widely used in reclaiming wind-blown soils and re-establishing pasture lands. This grass was first distributed to farmers of the Prairie Provinces about 5 years ago, yet the seed produced in Alberta, Saskatchewan and Manitoba totalled 650,000 lbs. in 1937. It is widely used on sub-stations, it excels for binding soil and is used almost exclusively in seeding community pastures.

Tree planting under the rehabilitation programme is carried on by the Experimental Farms Branch and in addition to the free distribution of tree seedlings to farmers throughout the Prairie Provinces from the Forest Nursery Stations at Indian Head and Sutherland, Saskatchewan, which has been carried on for a number of years, the rehabilitation programme provides trees together with supervisory and financial assistance in tree planting to district experiment sub-stations, agricultural improvement associations and field-crop

shelter-belt associations. Contrary to the somewhat common belief, tree planting work is not being done with any hope of modifying the climate or rainfall, since trees after all are the effect and not the cause of rainfall. Trees, nevertheless, are important in providing shelter for the home and for beautification and provide as well effective means of protecting gardens from the hot winds of summer and are snow traps during the winter. In addition, the value and possibility of trees as a means of checking wind erosion is being watched. Five associations of farmers are carrying on large-scale planting of caragana shelter belts where the field value of trees is being determined on a large scale.

Large-scale soil moisture conservation is being fully investigated by the Experimental Farms in connection with the Prairie Farm Rehabilitation Programme. This includes study of contouring, terracing and furrowing, to determine the value of such work in conserving moisture for crop production. A new feature of this work is the use of snow ploughs to create artificial drifts or snow banks on cultivated fields, not only to prevent the snow from blowing off but also to catch as much snow as possible where it may be most useful in adding to the moisture content of the soil.

Four major types of surveys in respect to land utilization and land settlement and which have been included as part of the general rehabilitation work include soil, economic, aerial and grass surveys.

When the West was first opened up for settlement forty and fifty years ago, little thought was given to differences in soil and its suitability for grain growing. True enough, there was considerable controversy prior to the building of the first railway across the prairies in 1885, as to whether or not the open plains were suitable for farming owing to low normal precipitation as indicated by the vegetation. Periods of more favourable rainfall, however, served to dispel any serious doubts about the potential agricultural value of the open plains and, particularly, the occurrence of June rains which produced growth to convince even the most sceptical. Records of the past fifty years indicate that both those in favour of settling the prairies and those opposed, were at least partly right. The fact is that climate on the open plains varies greatly from year to year and from period to period. There is no evidence to indicate a trend either upward or downward. Drought periods of shorter duration have occurred at varying intervals, while two major droughts have occurred since the trans-Canada railway was completed in 1885.

Possibly the most important fact revealed through years of experience is the wide difference in soil over the prairie and particularly the poorer soils not recognized in the earlier years, when the prairies were homesteaded and settled. It is in this connection that thorough and accurate surveys are important and provide a sound and dependable basis for the land utilization policy that has been

inaugurated under the Prairie Farm Rehabilitation Programme. This is particularly true of soil survey work, which has been conducted for a number of years in each of the Prairie Provinces under the direction of the provincial universities. Under the Prairie Farm Rehabilitation Administration this work has been continued and extended.

Economic surveys with particular emphasis on land utilization and classifications have been conducted in a number of areas of Alberta and Saskatchewan as part of the rehabilitation programme by the Economics Branch of the Department of Agriculture in co-operation with the Department of Farm Management of the University of Saskatchewan and the provincial Department of Agriculture in Alberta. In the more recent surveys, less emphasis was placed on the details of farm management and more attention was given to use and classification. Factors studied included tenure, ownership, acres cropped in fallow, idle and pasture, the number of years land was cultivated, how and when acquired, number of years since farmer or owner was able to pay taxes, number of years direct and agricultural relief were received, water facilities and the number and kinds of live stock kept. Information was obtained regarding vacant and abandoned lands.

An important phase of rehabilitation and adjustment in land utilization involving the use of poor lands for pasture purposes is adjustments with respect to taxation. In this connection, soil surveys

and economic studies are being used by the Province of Saskatchewan through its Tax Assessment Commission, in adjusting assessments on a fair and equitable basis determined by the classification of the soils, crop production over a period of years and the purpose for which the land is being used.

The services of the Department of National Defence were enlisted in the fight against drought in the making of aerial surveys. During 1937 approximately 7,000,000 acres were covered by aerial survey in Alberta, including most of the area controlled by the Special Municipal Areas Board of Alberta and in addition a large part of Southern Saskatchewan and part of Southwestern Manitoba were surveyed from the air. These aerial surveys are used in locating possible water storage sites for irrigation purposes and for stock-watering, and in addition are used in conjunction with the Economic Survey. This type of survey is exceedingly rapid and it is expected that through the use of this modern method surveys in connection with various phases of the Prairie Farm Rehabilitation Act will be greatly speeded up and cost greatly reduced.

The Prairie Farm Rehabilitation Act as first passed by the Dominion Parliament of 1935 provided for a five-year programme and for a maximum expenditure of \$4,750,000 during this period.

It was soon realized after the Act was put into operation that the problems involved were of such magnitude that the limits of time and expenditure

set under the original Act were inadequate, and when the Act was amended in 1937 this restriction was removed.

Definite progress was made during the first three years of the programme but the very nature of the work made it necessary to attack the problem upon a long-time range rather than a short-time basis.

In this way, it is believed, agriculture on the open plains may be established on a more secure basis. A great amount of basic information with respect to sound agricultural practice on the prairie has been accumulated by the various agencies, including the Dominion Experimental Farms, the Provincial Departments of Agriculture and the Colleges of Agriculture, in addition to all the information gained by farmers and stockmen through practical experience. The task is to apply this information to the fullest possible extent in rehabilitating and re-establishing agriculture in the areas subject to periodical drought.

A feature of the Prairie Farm Rehabilitation Programme is the fact that it provides means for concerted action by all agencies, including the assistance and co-operation of individuals and communities most directly affected, and with the public support and financial assistance provided through the Prairie Farm Rehabilitation Programme, it is believed that the heavy expenditures for relief on the prairies during periods of drought may be greatly reduced and eventually a more secure and balanced agriculture established.

VI RELIEF LAND SETTLEMENT¹

W. M. JONES

CONSIDERATION of Relief Land Settlement must be based upon an accurate understanding of its essential elements. The project had its origin in the simple truth that families with agricultural experience and a genuine desire for self-dependence on the land were being maintained in idleness on direct relief in towns and cities. The problem was clearly one which called for constructive action. Was there a way in which these families might be given a chance of self-support—in surroundings to which their qualifications and experience indicated that they were fitted—at a cost approximating that for direct relief? Relief Land Settlement was and is an honest effort to answer “Yes” to that question. It is upon that ground that it must take its place as an unemployment relief measure and upon that premise alone that it can be regarded as a colonization effort.

To see Relief Land Settlement in proper perspective it is important to grasp certain factors which are fundamental. It is a truism that in periods of prosperity people leave the farm for the city and vice versa. For many years before the industrial collapse of 1930 this law had been operating

¹This chapter was prepared in the winter of 1937.

among our own people. The trend in growth of urban population to the point where many men in public life declare that our population as between urban and rural districts is decidedly disproportionate may be seen from the Canadian census returns of 1931. In 1871 the population was 81.4 per cent. rural and 18.6 per cent. urban. By 1931, 54 out of every 100 Canadians were townspeople. Even this does not give the whole story, for according to figures compiled by the Dominion Bureau of Statistics not more than 31.7 per cent. of the whole population are actually living on the farm. It seems probable that no country possesses an urban population in which there is a higher proportion of persons with agricultural background.

It was almost inevitable, therefore, that with conditions of industrial depression there would be a natural and voluntary reversal of the tide and that Governments and others would feel called upon to give direction to the movement.

With the advent of these conditions there came an increasing appreciation of the homely phrase "Charity begins at home". As a natural sequence the inflow of migrants was restricted and Governmental and other agencies previously interested in the encouragement of new-comers from other countries addressed themselves to the problem of assimilation of those already here.

The desirability of marshalling all available forces in a common effort was obvious. It was perhaps not unnatural from the Dominion viewpoint

that a start should be made with its own Department of Immigration and Colonization and those of the two great railroad systems, each of which maintained an extensive colonization service. Due emphasis must be laid upon the work of provincial Colonization Departments. It is not necessary here to enter into detail; but some picture of their activities may be gathered from the fact that in the years 1930-31-32 the Province of Alberta alone granted 19,223 homesteads to settlers, and in the two years 1930-31 and 1931-32 the Government of Quebec established 7,052 settlers on colonization lots in that province. Such examples by no means peculiar to the two provinces mentioned indicate the spirit in which the provincial authorities addressed the situation when the voluntary movement back to the land took place.

In 1930 a meeting took place at Ottawa between representatives of the Dominion and the railroads and from it there arose what came to be known as the "Colonization at Home Movement". It had two objectives—first, the settlement on the land of families with a background of practical farm experience and enough capital of their own to make a modest start; secondly, the placement of single unemployed men in farm work. No monetary assistance was provided either by the Government or by any other agency. Since we are here primarily concerned with Relief Land Settlement it is unnecessary to enter into detail about the results of this movement; suffice it to say that during the past

six years to September 30, 1936, some 19,000 families were settled on farms, and more than 45,000 single men were placed at farm work.

Nevertheless, in the various phases of their work representatives of the Dominion, the provinces and the railways constantly came upon families with previous farm experience but without capital, showing genuine desire to earn their own subsistence on the land. Beyond their experience and willingness they had nothing—no money nor material resources of any consequence. Indeed, they were destitute and from their own standpoint seemingly faced the prospect of indefinite unemployment.

By 1931 it had been generally accepted that at a low estimate the cost of maintaining an average family on direct relief in the city amounted to approximately \$300 a year. The question began to be asked—would it not be possible to capitalize this expenditure and thus make available a sum sufficient to give selected families a new start on the land? The hazards were realized from the outset—but always there was the expectation that at least a proportion of those who made the venture would succeed in fighting their way back to a position of self-reliance in which they would have no need of public assistance. The idea possessed advantages from the standpoint of rural municipalities in that there was the practical element of returning idle farms to cultivation and bringing undeveloped lands to the tax-revenue-producing lists. Little objection could be offered by the taxpayer-at-large if

the scheme did no more than introduce the prospect of removal of a number of deserving families from a position of public support to self-maintenance.

To those who first conceived the plan it was plain that certain underlying principles must govern and shape its course. Among these, for example, was the necessity of keeping clearly in mind that any such scheme must essentially be one of subsistence settlement. With the heavy wheat carry-over then existing there could be no question of aggravation by production for the export market. There was the obvious danger to be guarded against that in some quarters Relief Land Settlement might be mistaken for a convenient instrument with which to transfer urban problems to rural municipalities. Such considerations were carefully weighed. The merits or otherwise of State-aided land settlement were never at issue. It was simply a question of the employment of funds which would otherwise be spent in direct relief in a way which might be more likely to prove beneficial to the recipient and his family.

It was on such grounds that discussion took place between federal and provincial authorities and which on the 2nd May, 1932, resulted in the execution of the first Relief Land Settlement Agreement. It was made by the Governments of the Dominion and the Province of Manitoba. In preamble it recited the proposal to expend "*relief monies which would otherwise be expended in the form of direct relief for the purpose of assisting selected families to*

settle upon the land and thus contribute to their own maintenance and eventually become self-supporting”. The closing words of this recital are significant as proof that the parties to the agreement were not carried away by easy hopes but adhered to the original conception.

It was agreed that the Dominion Government would contribute one-third of an amount not to exceed \$600 per family for the purpose of providing a measure of self-sustaining relief to families who would otherwise be in receipt of direct relief by placing such families on the land, the remaining two-thirds of the expenditure to be contributed by the province and the municipality concerned as might be decided between the province and the municipality. The Dominion contribution was to be a non-recoverable expenditure. It was further agreed that total expenditure on any one family should not during the first year exceed \$500—and that a minimum of \$100 should be withheld for the eventualities of the second year of settlement. Another covenant between the parties banned the expenditure of funds for the acquirement or renting of land.

All families were to be residents of Canada and selected from those who would otherwise be on direct relief. There was to be no discrimination within that limitation. The province was to be responsible for administration, including location and selection of farms and choice of suitable families. The province was to meet the cost of administra-

tion and no deduction on that account was to be made from the \$600 set aside for each family.

It was agreed that the province should set up an Advisory Committee to include representatives of the Dominion Land Settlement Branch, the Colonization Branch of the Canadian Pacific Railway Company, and the Colonization Branch of the Canadian National Railways.

Such in outline was the agreement into which the Dominion entered in 1932 successively with all the provinces of Canada except Prince Edward Island. There, happily, the unemployment position did not call for this special action. In four of the provinces clauses were inserted to provide for settlement of families from districts without municipal organization and in Nova Scotia provision was made for co-operation with that province under the Nova Scotia Land Settlement Act of 1932.

It was upon the basis of these agreements that Relief Land Settlement was operated during the first two years of its existence. In the spring of 1934 all the agreements expired, but so impressed had the various Governments become with the value of the work from a relief standpoint that there was general desire for renewal. During 1934 similar agreements were made between the Dominion and seven of the provinces—British Columbia among those formerly participating alone deciding against continuance. A noticeable feature of the new agreements was the provision for a further \$100 for the settlement of each family. The reason for this

increase will appear in subsequent paragraphs. The striking fact arising from the renewals in 1934 is that what had frankly been an experiment only two years earlier had so established itself that there was expressed at a Dominion-Provincial Conference in that year a general desire for further testing. Despite many trials and mistakes perhaps inseparable from experimental work on such a scale Relief Land Settlement had given promise of a reasonable degree of success as a measure of unemployment relief.

The 1934 agreements themselves came to an end in the spring of 1936. There has not been the same willingness to renew. For this fact many reasons can be advanced, among them, happily, indications of returning prosperity.

None the less there emerges one of the most striking single features of the whole experiment. Three new agreements have been made by the Dominion—two with western provinces, Manitoba and Alberta—the third with Quebec. These agreements provide expenditure not upon a basis of \$600 for each family as in 1932, or \$700 as in 1934, but of \$1,000.

In general structure the 1936 agreements follow the lines of those made in 1932 and 1934. They provide, as already stated, for an increase in the total sum that may be expended on any one family. Expenditure made upon a family during the first two years must not exceed \$820 for all purposes—\$180 is to be withheld for subsistence if necessary

in the third and fourth years at the rate of \$100 in the third year and the balance of \$80 in the fourth. In cases where circumstances warrant, the whole \$1,000 may be expended at the end of the second year to complete establishment, upon the recommendation of the Provincial Advisory Committee.

It will be recalled that the former agreements contained a specific provision that no part of the total expenditure should be for the purpose of acquiring or renting land. This covenant is conspicuous by its absence from the present agreements. A new clause appears, however, which may be quoted in full—"This agreement provides for settlement on Provincial Crown Lands and privately owned lands that may be available on long-term purchase plan or lease-option basis with provision for purchase over an extended period of years. Where privately owned lands are used for settlement it shall be the responsibility of the province to examine and approve the terms of purchase or lease option to ensure favourable contract terms to the settler and that the family is given security of tenure for a period as long as practicable."

Some little explanation of this clause seems necessary. It is obvious that with a total sum of \$1,000 available per family there could be no launching out on any general scheme of land purchase, nor is such the intention. It was found, however, particularly during the years 1934 to 1936, that there was an increasing difficulty in

locating suitable properties with buildings. Moreover, with the prospect of improvement in values farm owners showed less willingness to tie their farms up to settlers under this scheme on the basis of the settler undertaking to make certain improvements in place of a down payment or rental monies. The object of the present clause is to enable where considered necessary or desirable the securing of lease options and to pay occasionally nominal rentals. Beyond that it does not and indeed could not go with the amount of money available.

The agreements provide for continuity of settlement with the former agreements by retroactive application to April 1, 1936, and run to March 31, 1940. The final clause enables within modest limits a little more expenditure on families settled under former agreements who, having shown worthiness over a period of two years, need a little more help for subsistence or some essential item of stock or equipment.

One reason for increasing the available sum to \$1,000 which should not be overlooked lies in the rise in the values of stock and equipment which has taken place from the depth of depression prices. It is, for example, true to say that whereas in 1932 it was possible in some districts to buy a team of horses for \$75-\$90, a similar team today would cost \$175-\$200. Other prices have risen substantially.

Some little time has been taken at the risk of weariness to the reader in describing the framework upon which Relief Land Settlement grew. It may

be said these agreements look very well but to practical minds the question arises: How in fact have they worked out? It will be the purpose here to try and show that Relief Land Settlement has not only proved of benefit to a large number of families throughout the Dominion but has imbued them with new hope, and that the cost of the undertaking compares favourably with what would have been expended had the same families stayed in the cities living in idleness on direct relief. Most valuable from the social standpoint has been the effect upon the children. The complete change of environment, the healthful surroundings, have borne visible fruits. Sturdy, ruddy youngsters who but a few months ago had their playground on the city streets bear eloquent testimony to the fact that Relief Land Settlement must not be judged by the yardstick of dollars and cents alone.

To deal in detail with the work in each of the participating provinces would involve tedious repetition. It will suffice to examine by way of example the operation of the experiment in two provinces. The Province of Quebec has carried out practically the whole of its settlement on provincial Crown lands. It serves therefore as a practical example of this form of settlement, though other provinces also have confined themselves almost entirely to Crown lands. The Province of Manitoba has from the start worked largely on the settlement of privately owned lands and in consequence it furnishes an instance of another form of application of

the scheme to the problem. Quebec and Manitoba, moreover, are not only separated by wide distance—they have distinct elements as to population and other characteristics which supply points of interest.

Quebec has always offered a fascinating field for the study of land settlement. French-Canadians have traditionally possessed the requisite qualities for the pioneer life. No one who has read that little epic of pioneering, *Maria Chapdelaine*, can have failed to realize that these people have few equals in the simple virtues which surmount the obstacles of frontier settlement. It was not surprising therefore that in the Province of Quebec where Crown lands were still available in northern districts this type of settlement should have been undertaken.

Following the execution of the first agreement a Provincial Advisory Committee was set up, as previously outlined. For the larger cities and towns sub-committees were appointed. Crown lands in the districts of Abitibi and Temiscamingue were selected for settlement after classification by the Provincial Department of Lands and Forests and approval by the Provincial Department of Colonization.

There was an immediate rush of applications, resulting sometimes in hurried selection and consequent grief. Let us however trace the actual steps which resulted finally in the movement of a family from, shall we say, Montreal to Abitibi or Temiscamingue. The head of the family first made appli-

cation on a form which called for a good deal of information about the man, his wife, and his children. Inquiry was made for example as to whether they had previous farm experience and under what conditions. Could the wife knit, sew, spin or weave? Had they dependent children and what were their ages? Did they own a stove, a sewing machine, and so on?

The application was then investigated by a member of the local committee and if he found the family to be of sound character with a good reputation he recorded his recommendation. The next step was medical examination of all members of the family. This hurdle safely negotiated the application was passed to the Provincial Advisory Committee for final approval or otherwise. Here there was a further process of weeding out; but presuming that the family passed all the preliminary steps, our Montrealer was now confronted with his first really practical act. He found that in company with a group of others selected under the scheme he was to leave his wife and family behind in the city while he went to the proposed settlement. There they were quartered together and proceeded with the selection of their lots. This done they all went to work and built a house on one lot. As one house was finished they went on to the next lot until all had accommodation for their families. This work was done under the eye of the resident supervisor for the province. The next link in the chain of events was the arrival of the families—wives and

children bringing with them such furniture as they possessed. During the first year of settlement one of the difficulties was the cost of transporting families and their effects over comparatively long distances to the settlement areas. Later by action of the railway authorities this cost was reduced by practically one-half.

With the arrival of the families work began on clearing sufficient land for a garden, following which the real work of clearing and breaking would start. Though in some respects Relief Land Settlement in the Province of Quebec has not turned out as well as might have been expected in view of the traditions of the people, yet in this one respect at least it is noticeable that the settlers retain the traits of their forebears—good gardens are the rule. The value of the vegetable garden, particularly with the large families which predominate among these settlers, is so obvious as to need no emphasis here. The settlers were supplied with a cow, a horse, or an ox as soon as feed conditions made such action practicable. In many cases settlers were given outside work building roads, bridges, and ditches.

It will have been clear in this discussion that these families could not immediately be removed from the relief rolls merely because they had been transported from a city to the country. Quite plainly some measure of subsistence had to be provided and this was supplied as direct relief at a cost of \$6 per month per man and wife and \$1 for each child. Many of the families are still in receipt of

this assistance and it may be necessary to devise some means whereby relief is issued only in return for work done. Problems aplenty have presented themselves. In the first instance it soon became all too evident that selection of the right families was of the very essence of success or failure. No one who has had experience of the selection of families for farm settlement would be found to deny the difficulties of this task. The judgment of men is fallible and the unlikely family succeeds where the most seemingly suitable fail. There is little or no standard by which to measure such essential factors as the will to work, and selectors must be forgiven their errors. So much having been said, it seems none the less that at the outset there was a tendency in certain quarters to take the mistaken course to which reference has already been made, that of attempting to transfer the worst problems of the cities to the settlement areas. Shortsighted views were taken which resulted in the return of the families to the city's book of trouble and the scheme itself suffered. Steps taken in the second year of settlement to improve the standard of selection aided greatly in overcoming the handicap imposed by the initial error, nevertheless the scars remain.

Reference has already been made to the large families of the French-Canadian settlers. Generally the view has been held that the farmer with a large family is fortunate. The truth of the Psalmist's phrase "blessed is the man that hath his quiver full of them" seemed to be of special application to the

tiller of the soil. Paradoxically, however, the asset has proved in many instances to be in the nature of a liability in a scheme of this character, with limited settlement funds available. Because of the large number of children too great a proportion of the total available money had to be spent on construction of a larger dwelling and subsistence with the result that other items of vital importance had to go short. There was, for example, not enough money to provide as fully as was desirable for stock and equipment. It is hoped that the terms of the new agreement into which the province has entered with the Dominion may serve to correct this situation at least in part.

Another problem which had to be met in these new settlements in Quebec was that of roads. The question of the projection of roads before settlement or vice versa is one as old as colonization itself. In the present instance settlement came first and with it all the difficulties of transportation which that fact implies. On the other hand, it has been possible for many settlers to earn subsistence at road work.

Schools have had to be provided to meet the needs of some 4,000 youngsters and are operating in all the settlements with a limit of about two and one-half miles for any child to go. Until recently graduate medical men were in charge at three of the settlements, with trained nurses as assistants. Lately the doctors have moved on to newer districts but the nurses remain. Clinics are held once

a month. Educational and medical facilities thus supplied are arranged by the provincial government. All centres now have their own churches and resident curés.

On March 31, 1936, 976 families had been approved for settlement in the Province of Quebec. For a variety of causes 179 had given up the effort but 797 were still on the land, representing a total of 4,945 souls. Analysis of the cause of abandonment indicates that by far the largest number of failures was due to that fallibility in selection of which mention has been made. Some, the biggest group, just turned out to be unsuitable when they were faced with pioneering conditions. In a number of instances the families refused to come forward after the father had prepared a home for them in the North Country. In others, the wives could not measure up to the admittedly arduous life. Sickness or death claimed a proportion, and there were some whose abandonment was directly attributable to the factor of the large family and the difficulty of providing for them from the limited resources of the scheme in its first four years. A recent independent inspection of the settlements indicates the need for closer supervision, particularly in the early days.

It is too soon to form any judgment as to the permanent results—but this much it is possible to say now. A new country is being opened up, roads are being built, and small trading centres established. A substantial number of people are engaged

in a task which gives them self-respect, a sense of achievement, and hope for the future. That there have been mistakes from which future operations will profit no one would deny, but comparison between the former and present states of the families is convincing. When to these considerations there is added that of the cost and it is found that the whole charge upon the taxpayer is certainly no more than would have been made if the scheme had never been undertaken it is not remarkable that province and Dominion should have made the new agreement providing for four more years of trial with an increase in the joint settlement fund.

Let us now turn to Manitoba. In this province there was set up in 1932 an organization known as the Rural Rehabilitation Commission. It was authorized by order of the Lieutenant-Governor-in-Council and consists of a Chairman, four Aldermen of the city of Winnipeg, two members of the Agricultural Section of the Winnipeg Board of Trade, the City Treasurer, two Deputy Ministers of the Manitoba Government, a representative of the Dominion Land Settlement Branch, and a Supervisor who is a salaried official. This Commission considers recommendations made to it by the smaller Advisory Committee convened in pursuance of the terms of the agreement and deals with matters of policy generally. The sustained interest which has been shown by the Chairman and members of the Rural Rehabilitation Commission has been most valuable. This is true not only in dealing

with the actual problems arising from day to day with regard to the scheme but in keeping the whole question constantly warm in the minds of the citizens of Manitoba.

It may be remarked that the city of Winnipeg appears to bear a rather large share in the administration "set-up" of Relief Land Settlement in Manitoba. The fact is easily explained by another. The urban relief problem in Manitoba virtually crystalizes in the word Winnipeg. Practically all the settlement under the scheme has been of families from that place or its suburban municipalities.

It has already been said that Manitoba confined its activities largely to the settlement of privately owned lands. These have varied in area from 5 to 160 acres. About 100 farms of 40 acres or less have been settled and an inclination appears on the part of the province to favour more settlement on small acreage holdings.

Settlement for the most part is within 100 miles of Winnipeg. The principal groups are to be found south and southeast of the city—north into the Interlake Country as far as Grahamdale and northwest between Portage la Prairie and Dauphin, with a few as far as Swan River.

During the first two years of operation little difficulty was found in getting suitable farms. There were numerous places with habitable buildings which could be had and in many cases applicants were able to make their own arrangements on a lease option or long-term rental basis. Farms were

rented on crop-share basis, the repairing of buildings, or the clearing and breaking of land, with tenure always secured for a minimum of two years.

By the end of the first two years, however, it had become increasingly difficult to get farms with buildings. Continued hard times in the cities had resulted in more families with available capital going back to the land so that relief settlement was being slowed up and more determined efforts were necessary to locate suitable places. To begin with plans were laid to interview Municipal Councils that had acquired land at Tax Sale, but here at once a further problem obtruded itself. Such lands were usually quite unimproved. Buildings would have to be erected, wells dug, and land brought under cultivation. The agreements of 1932 and 1934 did not provide for expenditure for the acquirement or renting of land and in any event the total sum provided was insufficient for such purposes in addition to the essentials. The difficulty was met by arrangement between the provincial and municipal authorities who in many instances provided funds jointly for the payment of taxes to secure tenure and for the erection of buildings. It should be mentioned that it was the hope that when the families were established they would be able to work out their rent or pay some consideration for their occupation of the farms. It has to be recorded that in practice these hopes have not been fully realized.

It is of interest here to note that while many landowners have been satisfied if their taxes were

paid and improvements made, others have insisted upon leases with a cash consideration. The cost of procuring security of tenure in such instances has been borne jointly by the province and the municipality.

In 1935 it was decided to create a land-finding staff which was at first provided by the Canadian National Railways Colonization Department but is now directly controlled by the Supervisor for the province.

Few families were established on strictly grain-producing farms. In general they were for obvious reasons not well enough equipped to operate a large acreage and families who have been settled on farms of this kind have usually been helped by neighbouring relatives. Most of the settlement has been on low-priced 160-acre farms with from 15-20 acres under cultivation, the balance being brush, hay sloughs and rough pasture, with available cheap hay and pasture close by. Farms of this type give opportunity for summer dairying, the raising of poultry and a limited number of hogs and sheep. Operations can be carried on with small capital. In periods of low prices it is true that such farms do not afford more than a living and where expansion is possible it is essential that expenditure be made with care. The experience of the past as to the ability of settlers with small resources of their own to repay large loans warrants, indeed, compels caution.

The city of Winnipeg and the Province of Manitoba have further enlarged their experiments by

the purchase of twenty small holdings at a cost with buildings and other permanent improvements not exceeding \$600 per unit.

No settler has been established on a farm without his having first inspected it and satisfied himself that he could make a home on it and that it gave him an opportunity to improve his condition.

Transportation which at first was troublesome in Quebec has given comparatively little difficulty in Manitoba. The situation has naturally been eased by the shorter distances generally involved between the city home and the farm. It may, however, be of some interest to note the method adopted. Those families who were being settled within fifteen miles of the city were supplied with a team and wagon and drove to the new home taking their furniture with them. If the distance was over fifteen and less than sixty miles trucks were employed, competitive bids being secured from city trucking companies. Sometimes trucks bringing produce to market were given a return load of settlers' effects. In these cases the families followed by bus or rail. When the distance was over sixty miles families and effects were sent by rail at the special rate given by the companies to which reference has been made. Practically all settlers on mixed farms were supplied with horses and these where necessary have been shipped with their effects.

Earlier in this chapter a short description was given of the method of providing housing followed in the Province of Quebec. In Manitoba there has

been some variation in practice due to the different conditions. For example, not much difficulty occurred where there were already buildings on the farm. The head of the family on his first visit made a list of materials required, which were sent him when he moved with his family to the farm. It was then up to him to make the necessary repairs. Where there were no buildings the man went ahead of the family and prepared a home. Considerable ingenuity in effecting economies has been displayed by those administering the scheme. A great deal of used building material has been bought from houses being wrecked in the city. Some eighty box cars were obtained and are being used for outbuildings and sometimes even for homes. New houses have been supplied in sections and erected by the settlers themselves but wherever logs have been available this type of construction has been the rule for the reason that it is the cheapest and most satisfactory so long as the essential logs can be got near at hand.

The assistance of Manitoba's Commission in charge of single men's relief was obtained. An arrangement was worked out whereby single men built portable houses in sections, which sections were moved by truck to the farm, where a "flying work squad" went to work and erected the sections. By using dismantled box car lumber and second-hand material and employing relief men to do the work it has been found possible to erect a comfortable shelter for a very modest amount.

Another example of the care and thought which have been exercised in administration is to be found in the supply of stock and equipment. In the last four years 28 car-loads of horses have been bought and brought into Manitoba from Saskatchewan. All implements have been bought second-hand and to facilitate the equipment of settlers a stable and yard have been maintained in Winnipeg where horses could be kept in car-lots and implements accumulated for distribution as needed. By these means important savings have been made.

Some slightly more detailed mention may be made of the settlement on small holdings which has been conducted in this province. Altogether 78 families have been established on properties of less than 20 acres each. For the most part these holdings are along the Red and Assiniboine Rivers close to Winnipeg or to a highway which provides year-round transportation facilities. It is not expected that families can make their livings and pay for such holdings from the sale of produce; nevertheless some types of family seem specially suited to this sort of settlement. There is, for instance, the man who can obtain employment only during certain seasons of the year. Such is an applicant approved last summer for a 17-acre place with 10 acres cultivated. He is usually employed by a firm of automobile makers during March, April, and May. In other months he and his family are the probable recipients of part-time relief. His new home enables him to take the work which offers and at the

same time to grow enough garden produce at least for the needs of his home and as he gradually clears up his land he hopes to establish a small fruit plantation. He has been supplied with a cow, poultry and garden tools. The small holding settlement undoubtedly offers a field for instructive study in relation to the relief settlement problem as a whole and the experiments in Manitoba will be closely and sympathetically watched.

There has been one attempt at community settlement carried out on a farm of 880 acres some 25 miles from Winnipeg. Upon this 9 families were settled. The results so far have not been very encouraging, 7 of the original 9 having given up the effort. There have been replacements, but very careful supervision and much willingness and co-operation on the part of the settlers will be necessary to ultimate success. Community settlement is divested of none of its difficulties by the fact that the settlers are being aided under a scheme of relief. Families so settled compete with one another for the market for the produce they have to sell. They are inclined to vie with one another even in obtaining assistance from the settlement organization. Resultant friction is apt to bring disaster in its wake. There arise too such practical problems as that of the provision of schooling. A single family here or there is absorbed by existing facilities, whereas large groups necessitate new buildings, additional teachers, and consequent expense.

No discussion of Relief Land Settlement in

Manitoba, however cursory, would be complete without some mention of the Back to the Land Assistance Association which was founded by a group of young men in Winnipeg—a number being members of the Young Men's section of the Winnipeg Board of Trade. The purpose of this organization was to keep in touch with families after they went to the farms. The members soon learned of the needs of families for clothing and other necessities. Over 100 young men and women have been engaged in this work since the start. They were successful in arousing public interest and goodwill and due to their efforts new clothing to the value of \$7,150 has been supplied; over 27,000 articles of clothing and necessities have been sent out to the settlers on the farms. In 1933 a Ladies Auxiliary was formed. It has now more than 150 members and is doing splendid work among the women. These two organizations have been of inestimable value and the example which they have set is one which might well be emulated elsewhere.

On March 31, 1936, there were in Manitoba 684 families still on the land out of a total of 793 approved for settlement. Though a majority of those on the land are still in receipt of some form of relief there is a gradual improvement in this respect.

In concluding this examination of the scheme in Manitoba one cannot fail to note that if there has been here an apparently larger measure of success than in some other provinces there has also been a larger measure of goodwill on the part of the public.

Many people have given unsparingly of their time and experience in a manner wholly commendable. There have been many discouragements, crops have failed, supplies run low, stock died, winters proved exceptionally cold, but to set against all this there has been a definite revival of the pioneer spirit. Parents who do not expect much for themselves are impressed by the advantages for their children. It has been estimated by an authority whose opinion is not open to question that the cost of the scheme as compared with direct relief up to March, 1936, represents a saving of \$200,000 to the taxpayer.

Discussion in detail of the operations of two provinces does not by any means imply that the work in others has been less interesting. On the contrary very valuable work has been done.

In Saskatchewan 939 families were settled up to March, 1936. Most of this settlement was on Crown lands in northern districts of the province. If it was perhaps not attended by the measure of success apparent in Manitoba, it must not be forgotten that the province of Saskatchewan has had its own peculiar and grave problems. The repeated crop failures in the southern section of the province taxed the relief and field staffs to the utmost. Difficulties have been accentuated by the removal of many farmers who have left the drought-stricken areas for districts farther north. It was for these reasons that Saskatchewan, after expressing in 1934 its desire to continue with Relief Land Settlement, finally decided to concentrate all its efforts on the

rehabilitation of settlers in receipt of relief. The Dominion authorities agreed with the wisdom of this proposal and made a contribution of \$250,000 as a start in putting settlers in northern Saskatchewan on a self-supporting basis. Advances are being made for clearing, stock and equipment, etc., under proper supervision.

In Alberta, where a large proportion of the families came from Edmonton and Calgary, settlement has been on provincial Crown lands as to 50 per cent.—on C.P.R. and Hudson's Bay lands as to 27 per cent.—and the balance on lands procured by lease or lease option. C.P.R. lands are occupied under the familiar terms of the "Bush Land Contract", which means no interest nor payment for the first four years in lieu of the creation of certain improvements, payments thereafter being spread over 10 to 20 years with interest at 6 per cent. Hudson's Bay and other lands being bought by settlers under lease option are sold on a crop share basis.

There are three small, self-organized group settlements. The "Corbett Creek" settlement is in Tp.61, R.9, W. of 5th M., and consists entirely of homestead lands. The "Westerosé" settlement on C.P.R. and municipal lands is situated in Tp.46, R.1, W. of 5th. The third settlement called the "Hillsdown" is in Tps.36 & 37, R.25, W. of 4th, and is almost all on C.P.R. land. In these settlements the same difficulties which seem to be common to group settlement have made their appearance.

Success or failure lies with the future but so far there has been nothing connected with these settlements to indicate that the method is as satisfactory as placement of individual families in more or less established districts.

An aspect of special interest in connection with the experiment in the Province of Alberta is that in general youth and inexperience have not made the progress nor remained with the scheme to the same extent as the older and more mature families. The younger people have been more inclined to undertake settlement lightly in a spirit of "try anything once". They have not as a rule shown the same sincerity of purpose as their elders and as a result have been quicker to throw up the sponge. On March 31, 1936, there were 481 families still on the land out of 651 settled up to that date, and it was estimated by the provincial authorities that of those originally participating about 50 per cent. will be able ultimately to establish themselves on their farms.

Coming east to Ontario much important work was done under the 1932 and 1934 agreements with about the same relative degree of success. Settlement has been for the most part on Crown lands in northern Ontario and spread over a wide area. To quote from the report of the Department of Lands and Forests for 1934—"The results to date can best be proven by the expressed feelings of a considerable number placed in 1932. Their attitude has been and is that, notwithstanding the hazards

of pioneer life and the discomforts and hardships that accompany the same, they take pride in the sense of ownership and the absence of rental, heating and light problems, and in the opportunities of performing tasks and rendering services usually denied unemployed relief recipients. Discouragement and disillusionment naturally follow in some instances, but the efforts of those who for the most part have faced their difficulties with good heart and with some success are evident and very many of them would not be willing to consider abandonment of such rights as they have been able to establish to date."

In 1933 the Rev. J. C. Cochrane, Superintendent of Missions for the United Church of Canada, visited a large number of settlers under Relief Land Settlement in Ontario. Mr. Cochrane, himself a pioneer and a man of wide experience, recorded his impressions in a report issued by the Government of Ontario covering the operation of the scheme in 1932 and 1933. Mr. Cochrane has trenchant criticisms to offer, but it is significant that he concludes: "I think the Relief Land Settlement Plan is worth while".

Later consideration appears to have led the provincial authorities to the decision that the problem confronting "long tried and established settlers in well settled and fertile areas" indicated that the times were not propitious for further encouragement of those with nothing but their own willingness to seek independence in pioneer farming. As

already indicated the Province of Ontario dropped out of Relief Land Settlement with the expiration of the 1934 agreement March 31, 1936. While this decision is the opposite of that of the adjoining Provinces of Quebec and Manitoba it must be remembered that the position of Ontario is not in some respects unlike that existing in Saskatchewan. In Northern Ontario there is unquestionably a difficult problem of relief among settlers and homesteaders. In any event it was, from the start, of the essence of the scheme that decision in the matter of participation rested with the respective provinces.

During the four years that the agreements were in operation in Ontario some excellent work was done. Settlement in the pioneer districts of Northern Ontario entailed much arduous work. In this regard it may be mentioned that the Dominion Government placed at the disposal of the provincial authorities a resident supervisor of wide experience in pioneer settlement. In Ontario, moreover, there is an example of community settlement which bids fair to succeed. In 1934, 18 specially selected Dutch families were established on privately owned land on the Holland Marsh near Bradford. This is a market gardening proposition where the lots consist of 5 acres of garden land and a building site for each family, the latter large enough for a house and kitchen garden. The price to each settler was \$475 for the land ploughed and with drainage facilities. The venture has been blessed with excellent crops

and at the last report (September, 1936) all payments for the year had been made save one. So far there appears to have been little of the friction which has usually characterized such settlement, a fact which may in part be due to good crops, good prices and an adequate market for the products of all.

A wider study of the scheme in Ontario is not possible here, but it may be well to point out that this province provides an object lesson in the importance of care in selection. At the outset it appears that perhaps a greater use might have been made of the experienced men who constituted the Provincial Advisory Committee. There were some mistakes both as to the families accepted for settlement and the land upon which they were placed. Once the necessity of more rigid selection was grasped the responsibility was undertaken for the most part by members of the committee who visited prospective settlers in their homes in the municipality of origin. The following table will serve to drive home the lesson:

<i>1932:</i>	Returned without locating.	10.8%
	Returned after locating.	26.5%
	Remained on the land.	62.7%
<i>1933:</i>	Returned without locating	4. %
	Returned after locating.	10.8%
	Remained on the land	85. %
<i>1934:</i>	Returned without locating	1.4%
	Returned after locating.	10.9%
	Remained on the land	87.7%
<i>1935:</i>	Only 5 families settled all still on land 100. %	

Little purpose could be served by a prolonged discussion of the details of Relief Land Settlement in other parts of Canada. Enough has been said to give the reader as full an understanding as space permits.

No one except a complete novice would attempt to forecast ultimate results. So far, however, it has been demonstrated that Relief Land Settlement can be operated at a cost not more than that of direct relief in the cities. Improvement has been shown in the physical condition of a large number of Canadian children and many of their elders.

Apart from these valuable results there are others not unimportant in themselves. The scheme has proved an excellent example of what can be accomplished as a result of whole-hearted co-operation between Dominion, provincial and municipal authorities. To these agencies have been added the valuable and unremitting assistance of the colonization departments of the transportation companies and of many private citizens.

The scheme has given rise to thoughtful study on the subject of what relation land settlement can bear to the problems of unemployment and relief in the modern state.

The Province of Alberta has boldly predicted that 50 per cent. of the original settlers will become self-supporting farmers. Certainly a proportion will do so. As times improve again in the cities there will be a movement back from the land. Already the cry is being heard that industry is

unable to secure the necessary operatives—that there is a shortage of experienced farm help in some districts—that people who have been subsisting on direct relief in the cities are in many instances no longer physically fit for employment. If every family that was ever settled under the relief settlement plan went back from the farm to the city and was re-absorbed into industry with no settler left on the land, Relief Land Settlement could still show a credit balance on the books. There can be no question that the physical standards of those living under the scheme have in the vast majority of cases been improved by the time spent on the land. It is true that the scheme must not be judged by the criteria of the book-keeper; but it is important to remember that it has cost no more to keep men and women and children physically fit and contributing to their own support than it would have done to allow them to remain in idleness in a city environment.

The numbers of settler families and the total numbers approved under the Relief Settlement plan reported by the provinces as at March 31, 1936, are shown in the following tabulation, which also shows the numbers who have left the land subsequent to approval, and the numbers who are still on the land. Three hundred and forty-five municipalities have participated in the settlement and thirty-eight nationalities or racial groups are represented.

PROVINCE	APPROVALS		ABANDONMENTS AND CANCELLATIONS		ON THE LAND	
	SETTLER FAMILIES	TOTAL INDI- VIDUALS	SETTLER FAMILIES	TOTAL INDI- VIDUALS	SETTLER FAMILIES	TOTAL INDI- VIDUALS
Nova Scotia ...	341	2,140	61	370	280	1,770
Quebec... ..	976	6,005	179	1,060	797	4,945
Ontario.	606	2,990	142	707	464	2,283
Manitoba.	793	3,786	109	488	684	3,298
Saskatchewan	939	4,604	179	871	760	3,733
Alberta . . .	651	3,060	170	747	481	2,313
British Columbia....	52	285	9	50	43	235
Totals... .	4,358	22,870	849	4,293	3,509	18,577

VII

PUBLIC WORKS AS A RELIEF MEASURE

A. MACNAMARA

TO PROVIDE work and pay for its performance, either in wages or "in kind", is by no means a new plan. On many occasions in the past the Governments of Canada have followed such a procedure. We read, for example, in the records of the Hudson's Bay Company that in the Province of Manitoba (then the Red River District of the North West Territories) as early as 1829 the Company organized relief for settlers. We read too of the activities of the Red River Co-operative Relief Committee in 1867, which Committee received funds from the Canadian Board of Works. In 1868 the Government of Canada commenced what might be termed the first step in the construction of the Trans-Canada Highway. This was a road leading from the Red River Settlement to the Lake of the Woods, known as the "Dawson Trail", work upon which was undertaken by the federal authorities to provide work for destitute settlers. The rate of wages was £4 per month, which was paid in flour and pork instead of cash.

During the years prior to 1929 and 1930 a great deal of public work had been undertaken in Canada for the development of the country, the expendi-

tures being met by the municipal, provincial, or federal body which planned and executed them. When therefore, late in the Fall of 1930, the Government of the day introduced as its major policy for the solution of Canada's unemployment problem a programme of public works on a co-operative basis, contributed to by federal, provincial, and municipal authorities, it was not breaking new ground. Even had there been no depression many such projects would have been launched on this basis in the years following 1930. The replacement of obsolete buildings and bridges and the construction of roads and other projects would undoubtedly have been undertaken by the Governments concerned when the need could no longer be ignored. But under depression conditions, with revenues of provinces and municipalities so decreased that much necessary work could not be carried out in the normal way, these undertakings came more and more to be considered as works for the relief of unemployment.

It is generally recognized that direct assistance to the unemployed in the form of the minimum necessities of life is the least desirable form of relief. This is the judgment, not only of those who have not experienced the effects of enforced idleness, but of the unemployed themselves. No one needs to be told that the cure for unemployment is work. The difficulty has been to find the money necessary for the providing of that work, in sufficient quantity to absorb all of the unemployed.

This has been a period of strain and stress for all governments—federal, provincial and municipal; nevertheless it can be said that no person has, with the knowledge of those in authority, been allowed to suffer for lack of food, fuel, clothing, or shelter. Furthermore, the vast sum of \$254,000,000 has been spent in providing work for the unemployed up to March 31, 1938.

Work Preferred to the Dole.

Considerable criticism is heard from time to time of relief administration, charging that allowances are over-generous and too easily obtained. The opinion is advanced, even by those who have some knowledge of the matter, that a large percentage of those who are on relief do not desire to work and are quite content to be maintained.

Now, it is undoubtedly a fact that the dole system has the effect, if continued over a period of years, of taking away from a man a good deal of his initiative and resourcefulness. But to say that any large percentage of relief recipients are content to remain on relief is, in the experience of this writer, an absolutely false statement. True, there are a few individuals who become so accustomed to being on relief that they show little evidence of desire to obtain work; but the percentage such individuals represent is a very small one indeed, and it seems highly probable that in normal times these persons would be seeking assistance from aid

societies. Two striking incidents may be cited as evidence that, in so far as the men in Greater Winnipeg are concerned, there still exists a very strong desire to be self-supporting.

In 1935 plans were advanced for an ambitious project known as the Greater Winnipeg Sanitary District Interceptory Sewer. It was advertised in the newspapers that a very large number of men would be given work digging excavations for the sewer—that is, hard manual labour. Within fourteen days after the list was opened 3,200 applications were received. On the opening day of registration, at eight o'clock in the morning, there were 4,500 men waiting to be registered, the first having arrived at four-thirty. Here was clear evidence of willingness to undertake the hardest kind of manual work. And it should be borne in mind that many of the applicants were what is known as "white collar" workers.

Again, during the summer of 1936 there were congregated in the city of Winnipeg several thousand single, homeless men, being fed two meals per day in relief dining-halls. These men were causing no end of annoyance, holding daily meetings, forming parades, and staging what practically amounted to a sit-down strike on the grounds of the Parliament Buildings. But as soon as applications started coming in to the Employment Service for harvest help there was an immediate exodus to the harvest field, and almost over night the situation cleared.

These men unhesitatingly accepted arduous work which was bound to mean long hours and pay at fairly low wage.

The virility, fortitude, and dogged persistence of the Canadian people have been amply demonstrated during the depression; doctors, lawyers, and other professional men and sedentary workers cheerfully taking their places digging ditches, constructing roads, erecting buildings, and so on, determined to re-establish themselves on a self-supporting basis. The vast majority of those who are classed as relief recipients desire very earnestly to be put to work. Such at least is the conviction of the present writer. It is undoubtedly a fact, however, that the dole system has taken away from many of its beneficiaries the feeling that there is any need to save part of their wages when the earning members of the family do find work. It is the experience of relief authorities across the country that families spend as wages are received, knowing that relief is waiting when the rainy day comes again.

Commencement of Relief Works.

That relief works have been an important factor in rehabilitating the unemployed cannot be denied. When capital became nervous and funds for private enterprises were not procurable, governing bodies throughout the country were besieged with requests and demands for the launching of programmes of public works. Municipalities planned undertakings

which were considered to be of general benefit. They applied for the necessary financial assistance of both Dominion and provincial governments. Balancing the benefit and desirability of each project with the local load of unemployment, the Governments decided to participate in those public works which met with their approval.

The first "Unemployment Relief Act" was passed by the Dominion Government in 1930, and received Royal Assent on September 22nd of that year. This Act specified that \$20,000,000 might be expended in constructing, extending or improving public works and undertakings, railways, highways, bridges and canals, harbours and wharves; assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine; granting aid to provinces and municipalities in any public work they might undertake for relieving unemployment and reimbursing provinces and municipalities for expenditures made in connection with unemployment. Further Acts of similar import have been passed in subsequent years as the need arose, and as the provisions of the former Acts became exhausted. These Acts have set out in principle that there be a maximum work day of eight hours on public works; that rates of pay be set by the local authorities; that only goods and materials of Canadian manufacture or production, if available, be used; that contracts be let only to Canadian persons, bona fide Canadian firms, corporations or persons so employed to be residents of

Canada; and that there be no discrimination by reason of political affiliation, race, or religious views.

The relief work available under agreements which commended themselves to the Dominion and provincial governments has provided sufficient work to absorb only a very small percentage of the unemployed. Wherever a relief job has been started, a very large number have applied for work who could not be accommodated.

Selection of Men.

With this difficulty to be faced, it has been very necessary to formulate definite regulations governing the allocation of work. It has been the practice to select some of these men from those on the relief rolls and some from the needy unemployed in the district who are on the point of applying for relief, leaving a small percentage for the contractor to select—that is, the key-men.

The writer is not informed as to just how definite the arrangements have been in other parts of Canada, but is in a position to report on the policies followed in Manitoba. Here in most cases the work has been done by contract in order to obtain the use of the contractor's equipment. The contractor has been allowed to select a certain percentage of the men, the exact figure depending on the nature of the contract. Usually this proportion does not exceed 10 per cent. of the total. An additional allowance, ordinarily 25 per cent., is made to take

care of the needy unemployed who are not on relief but are at the point of applying for it. (This provision seems necessary, as otherwise a premium is put on being on relief.) The remainder are taken from those who are direct relief recipients, the selection being left largely to the local committee. The percentage in this case varies. In the 1936 Agreement it was fixed at not less than 50 per cent. of the total number. In selecting men from the relief list it has been found advisable to dislodge some of what might be termed the "charter members"—that is, those who have been longest on relief. Accordingly, the men who head the list have ordinarily been given the first opportunity to go to work.

Rotation of Work and Limitation of Earnings.

In the early years of the relief programme an attempt was made to carry out a definite rotation, usually on the basis of two weeks' work followed by two weeks' lay-off. This did not prove very satisfactory, for a man could not support his dependants on two weeks' work and usually came back to the relief committee for assistance before his lay-off period was over. In recent years, in Manitoba, the system has been followed of allowing the men to earn 150 per cent. of their relief budget. This has proved fairly satisfactory, having the additional advantage that once a man is off relief he stays off while the work lasts.

Rate of Wages Paid.

In the matter of wage rates it has been the rule that wages shall be paid in accordance with "Fair Wage" schedules, which really means the "going" or "accepted" wage rate. However, there is quite a strong opinion which favours a rate somewhat lower than the ordinary Fair Wage rate. The suggestion is, for instance, that if the Fair Wage rate is 42 cents per hour for common labourers the common labouring rate on relief work should be 10 per cent. lower than this, or 37 cents an hour. This would have the advantage of making relief work the last job a man would seek, and when commercial work started up, the tendency would be for the man to leave and go to work on ordinary commercial jobs.

Financial Outlay for Work Undertaken.

From September 1, 1930, to March 31, 1938, \$254,000,000 has been expended on relief works collectively by the Dominion, provincial, and municipal governments and the railways. This has been distributed throughout the provinces in proportion to the need of the unemployed and to the urgent necessity of many undertakings for the public benefit.

During recent years it has been increasingly difficult, in many cases impossible, for Governments and municipalities to balance their budgets even for ordinary expenditures, but with such a heavy added burden occasioned by relief expendi-

tures, local authorities have been, in most cases, quite unable to raise the necessary funds for construction which if times had been normal they would have performed without reference to or help from the governments. There has, therefore, been a close co-operation between the Dominion, the provinces, and the municipalities in putting forward and financing plans for public works.

The following detail of estimated expenditures on public works from September, 1930, to March 31, 1936, which includes all public works expenditures made by the Dominion Government, the provinces, the municipalities, and the railways, demonstrates the country-wide character of these relief works:

	MUNICIPAL WORKS	TRANS- CANADA HIGHWAY	PROV. HIGHWAYS AND ROADS OTHER THAN TRANS- CANADA	OTHER PROV. WORKS	TOTAL
P.E.I. . .	\$ 75,000	\$ 550,000	\$ 475,000	\$ 525,000	\$ 1,625,000
N.S. . . .	2,100,000	3,050,000	1,950,000	770,000	7,870,000
N.B. . . .	950,000	1,950,000	1,880,000	350,000	5,130,000
Quebec .	27,200,000	10,000	3,000,000	1,200,000	31,410,000
Ont. . . .	31,000,000	20,000,000	15,500,000	3,000,000	69,500,000
Man. . . .	7,100,000	1,850,000	1,500,000	1,150,000	11,600,000
Sask. . .	4,765,000	25,000	3,200,000	1,365,000	9,355,000
Alta. . .	3,860,000	515,000	3,700,000	70,000	8,145,000
B.C. . . .	5,260,000	955,000	3,500,000	235,000	9,950,000
Federal					
Depts. . .	. . . .	. . . . .	. . . . .	. . . .	31,924,000
Railways	. . . .	. . . . .	. . . . .	. . . .	25,497,000
	<u>\$82,310,000</u>	<u>\$28,905,000</u>	<u>\$34,705,000</u>	<u>\$8,665,000</u>	<u>\$212,006,000</u>

By March 31, 1938, the sums expended amounted to \$254,000,000, the increase being: for municipal works \$2,000,000; for Trans-Canada Highway, \$9,000,000; for provincial highways and roads \$15,000,000; and for other provincial works \$6,000,000.

The following paragraphs deal however, with public works as carried out up to March 31, 1936.

It will be seen from the above figures that the largest programme of Relief Works was for Municipal Projects, in which the Dominion Government, the provinces, and the municipalities each bore a share determined by agreement. More than 2,000 municipalities in Canada participated in these public works.

Municipal Public Works.

The record of municipal public works performed in the various provinces is here briefly summarized.

Prince Edward Island—New paving; new sidewalks; city buildings remodelled.

Nova Scotia—Water and sewerage projects; municipal buildings; sidewalks and street paving; additions to the Halifax Court House.

New Brunswick—Paving and street improvements; sewers; water mains; a new museum, erected in Saint John.

Quebec—Sewers; waterworks; municipal buildings; street and road improvements; tunnels; bridges; sidewalks; park improvements; breakwaters; wharves.

Ontario—Expenditures on public works exceeded those of all other provinces. All cities and the majority of towns, villages, and townships which are suburban in character, undertook some form of relief works. These included: sewers; waterworks; municipal buildings; street paving; sidewalks; park

improvements. Special projects in Toronto, water-mains and a sea-wall. Hamilton obtained considerable benefits, including the construction of a large reservoir.

Saskatchewan—Waterworks; sewers; road improvements; municipal buildings; park improvements. Included in these was an extensive water system and reservoir at Regina.

Alberta—Roads improved; new sewers and waterworks in cities installed; new bridges and subways constructed.

British Columbia—Sewer and waterworks schemes; street improvements and sidewalk construction. Improvements to Exhibition Grounds and Airport in Vancouver; park improvements in Victoria.

Manitoba—Bridges and public buildings constructed, most important the Auditorium in Winnipeg; sewers and water mains; public baths; sidewalks and many road improvements.

The Trans-Canada Highway.

Under relief measures, work on the Trans-Canada Highway has been carried out in every province of the Dominion. The expenditures aside from some minor exceptions have been shared equally by the Dominion and the provinces. It is estimated that more than 2,000 miles of the highway have been constructed or improved, including preliminary work, grading, bridge building, grade crossing elimination, and surfacing. The approximate

mileage of the highway in each province on which work has been undertaken under relief measures is estimated as follows:

	MILEAGE IMPROVED OR CONSTRUCTED
Prince Edward Island	55
Nova Scotia.	135
New Brunswick.. . . .	90
Quebec.....	35
Ontario	1,050
Manitoba.....	230
Saskatchewan.	25
Alberta.....	250
British Columbia.....	237
	<hr/> 2,107

Provincial Highways and Roads other than Trans-Canada Highways.

In all the provinces construction and improvement work in connection with highways and roads other than the Trans-Canada Highway constituted a large proportion of the joint Dominion-provincial relief work programmes. The projects undertaken included preliminary clearing; grading; gravelling, construction, and surfacing; construction of bridges and elimination of grade crossings. The work carried out included major improvements on and construction of main trunk highways, as well as the construction and improvement of market roads and of colonization roads in the less settled districts of the provinces.

Other Provincial Works.

Provincial works other than road building include: construction and renovation of provincial

buildings; construction of power lines; water conservation projects; wharves; bridges; removal of fire hazards; land clearing. Again the individual records may prove interesting.

Prince Edward Island—Rebuilding and repairing of wharves, an important item; renovation of Government House and of the Confederation Chamber in the Provincial Building; construction of an addition to Falconwood Mental Hospital.

Nova Scotia—Crushing and hauling of material subsequently used for surfacing roads and clearing of right of ways; development of limestone deposits for agricultural purposes.

New Brunswick—Transmission lines installed in York, Sunbury, and Restigouche Counties; land clearing carried on.

Quebec—Large amount of work preparatory to road building, which included clearing and draining land and cutting and preparing lumber for bridges. Construction of ice breakers another major project.

Ontario—Additions to the Sanitarium Buildings at various points; removal of fire hazards near settlement roads in unorganized districts.

Saskatchewan—Improvements made at Wascana Lake; summer resorts created in various parts of the province, including clearing of sites and construction of roads.

Alberta—Water conservation and river protection works.

British Columbia—Principal item the clearing of Government lands.

Manitoba—Additions made to the Manitoba University, which permitted of a reorganization of the University; additions built to the Hospitals for the Insane; highways constructed to open up new territory and improve transportation facilities to the mines; many other projects of a worth-while nature undertaken.

Federal Projects.

These are dealt with in detail for the period ending March 30, 1935, in the "Survey of Federal Relief Activities since 1930" as printed in the *Labour Gazette* of May, 1935. From April, 1935, to March, 1936, the projects administered by the Departments of Interior and National Defence were continued; further, the Department of Public Works as a relief measure constructed telephone lines in the counties of Matapedia and Matane in the Province of Quebec.

Special Unemployment Relief Work Undertaken by the Railways.

The railways being the greatest employers of labour in Canada were turned to by the Government for help in stimulating employment. They, of course, in common with all other business organizations, have had extreme difficulty during the depression years, and it was only by the arrangement of substantial loans to them that they were enabled to launch programmes which looked beyond immediate necessity.

Large programmes of work were carried out by the Canadian National Railways and the Canadian Pacific Railway Company under the agreements entered into under the Unemployment Relief Act of 1930. The agreements provided that the Dominion should pay the interest for eighteen months at 5 per cent. per annum on the cost of the works.

The approximate total cost of the projects carried out by the Canadian National Railways was \$13,983,000. Included in the construction programme carried out were: a new station at Saint John, N.B.; subways at Quebec, Oshawa, Toronto, London and Saskatoon; a stores building at Toronto; a bridge at Sudbury; a cut-off at Brantford; a diversion of the line at Westport; the relaying of 160 miles of main line with new and heavier weight rail; and the laying of track on approximately 143 miles of branch lines. In the Belleville Division, new rail tie plates and rail anchors were installed and a large amount of rock ballasting was done.

The total cost of projects carried out by the Canadian Pacific Railway was \$11,514,000. Included in the works carried out were: laying of track on 50 miles of extension in Alberta; purchase and installation of 150 miles of heavy rail in British Columbia and 100 miles in Ontario; grade revision in British Columbia; construction of 100 miles of new lines in Saskatchewan and 9 miles in British Columbia; 20 miles of gravel ballasting in New Brunswick; 25 miles of rock ballasting in Quebec;

rock ballasting in Ontario; and the construction of a new station at Regina.

Single Men Relief Camps.

In an effort to relieve local governments of the problem of single, homeless men and stop their drift from one end of the country to the other on freight trains, the Dominion Government planned and put into operation a number of camps across Canada, commencing the establishment of these camps in 1934. These camps were not strictly "construction camps" in the true sense of the term, but rather subsistence or shelter camps with a work test thrown in. The organization of the plan and the operation of it were put under the control of the Department of National Defence, with headquarters at Ottawa. The chief administration officers were loaned by the Department of National Defence and were army officers. Many of the men in charge of the individual camps were also army officers. The men were given clothing, food, and shelter, and a gratuity of 20 cents per day for the days worked.

The camps as a solution for the transient problem have been dealt with in Chapter III. At this point their value as a work relief project may be briefly examined.

At their maximum strength these camps afforded shelter to 21,000 men, and the Dominion Government spent on them in the neighbourhood of \$9,000,000. Undoubtedly they served the purpose

of relieving provincial and municipal governments to a considerable extent in that they provided a place to which single, homeless men could be sent. The camps did not give general satisfaction, however, for several reasons. First, an attempt was made to control them from headquarters at Ottawa, rather than give authority to those in charge of the camps locally. Second, the payment having been made on the gratuity basis, the men did not have the sense of independence they would have enjoyed in a construction camp, although the net result was practically the same. To explain, if a man is getting, say, 20 cents an hour and earning sufficient to enable him to pay for his board and shelter, and winds up at the end of the month with \$15, he feels very much more satisfied than if he is working on a basis of "everything found", and the same net amount of \$15 is paid to him at the end of the month.

It is only fair to say that those in charge did a splendid job of organization and, it is felt, did everything possible to make the camps a success. Certain sections of the country have some very good road work to show for the activity. But there is a general belief amongst those closest to the "relief firing line" that the same amount of money would have produced better results if it had been spent through the regular channels, that is, through the provincial and municipal authorities.

In the opinion of this writer, the plan of quartering unemployed single men in camps on a subsistence

basis has so many fundamental weaknesses that it must be looked upon as, at best, a makeshift. There is enough valuable work to be done to warrant employing single men on a minimum wage basis with a charge for board and clothing. The projects selected should be such that their value is self-evident, and, as far as practicable, the work to be done should train men for regular occupations—for example, forestry activity, work in mining areas to develop the mining resources; and, for older men, their engagement on farms for light work, with the Government paying a small wage.

The Farm Improvement and Placement Plan.

A plan to increase winter employment on farms and to enable the placement of men and women who otherwise would require assistance by way of relief from public funds has been developed in Western Canada.

The plan was first initiated in the Province of Manitoba in the Fall of 1931. It has worked very successfully, and produced excellent results—so much so that it became one of the major items in the policy of the National Employment Commission for the winter 1936-37, and the winter, 1937-38, the hope being that it would to a large extent absorb men who in the previous winter were sheltered in National Defence Camps.

Briefly, the plan contemplates an increase in farm winter employment by paying to the farmers who would not otherwise employ winter help \$5 a

month bonus towards the cost of the board of the individual placed with him. The individual sent, either man or woman, is required to show that he or she cannot get along on his or her own resources, in which case clothing and transportation to the farm are provided, and a bonus of \$5 per month is paid. For the winter 1936-37 and 1937-38 the bonus to the individual has been increased to \$7.50 per month, the additional \$2.50 to be paid at the end of the period, with the proviso that it is not payable unless the person stays until the end of the period.

The numbers placed have been increasing year by year. During the winter 1936-37 it is estimated that no less than 40,000 men and 5,000 women will have been taken care of in this way by the provinces which have adopted the plan.

A very illuminating fact is that some of the men and women placed on farms under the plan four winters ago in Manitoba have never returned to urban districts. Many of them are still on the same farm to which they were sent, where they are working under some mutually satisfactory arrangement made with the farmer. The advantages of the plan are obvious, involving as it does, what might be looked upon as an apprenticeship period on a farm. A great percentage of the youths placed on farms in this way discover that they like farm life, and make up their minds to follow it up as a vocation. Even in the case of those who eventually return to city life, the period spent on the farm proves

beneficial. Instead of living in idleness on relief in urban districts, they are given a chance to occupy themselves in a normal way under healthful conditions.

While this arrangement cannot be considered as a "relief work project" in the ordinary sense, it is probably one of the most constructive plans which has been put into effect. The only objectors, speaking broadly, are the Communist agitators, who found the congregating of large groups of men on relief in urban districts a ready-made seed-bed for their propaganda. By increasing winter farm employment it is hoped that the policy will be developed amongst farmers to a much greater degree than at present, of employing farm workers on a twelve-months-per-year basis, instead of adhering to the seasonal engagement policy now followed by so many farmers.

A further development of the plan which has been favourably discussed in Western Canada is the proposal that the engagement of young men for a two-year or even three-year period be arranged by a tri-party contract entered into by (a) the farmer, (b) the employee, and (c) the Governments, whereby the worker will undertake to work for a two-year period, the farmer will agree to pay "going wages" for the summer season, and the Governments agree to pay a bonus during the "off-farming" season. At the end of the engagement the worker is to be given assistance in establishing himself on a farm of his own, under a land settlement

plan similar to that now operated for families from the urban districts.

Cost of Relief Works vs. Cost of Direct Relief.

The question which has to be faced by the people of Canada is the relative value, from the standpoint of the public purse, of direct relief and relief through public works. Many arguments can be presented for both points of view. Certainly, so far as minimum expenditures are concerned, the man who is taken off direct relief and placed at work on some public project, occasions an immediate increase in the public funds expended on him and his family. Let us take a concrete example. The head of a family drawing direct relief to the value of \$30 per month is set to work on some public project. Due to his greater necessity for better food and clothing, and in some cases, means of transportation to and from work, it is necessary to allow him to earn at least 50 per cent. more than he was drawing as direct relief. This man would, therefore, need to earn \$45 per month. Taking the average of relief works, the amounts spent on labour and material have been approximately equal; therefore, to supply a man with \$45 a month in wages would entail an outlay from the public funds of \$90 per month. Taking these as pure facts, it will be seen therefore, that while public funds to the extent of \$30 were required for maintaining this man and his family on direct relief, it required three times this sum to provide him

with sufficient wages on relief works. However, one cannot accept these facts without relating them to other facts. For instance, the 50 per cent. of this cost which has been spent on materials is very largely expended in one way or another in labour costs. In the erection of a building, stone, cement, steel, wood and other products are required which come under the category of material. These, of course, have to be produced, and thus is stimulated the employment of labour in stone quarries, cement works, and steel factories, in the forests and lumber mills. This could be elaborated upon to a greater degree, but the examples given will suffice for our point.

The cost of work which is expended on items other than direct labour, or what might be termed the "material dollar", has been studied, and outstanding authorities go so far as to say that fully 85 or 90 per cent. of the "material dollar" goes into "indirect labour". If this be so, the increase in public expenditure on relief works as compared with direct relief is far from conclusive.

The test which would be conclusive would be to set out to put every able-bodied man in Canada to work. Unfortunately this test has so far not been within the financial power of Governments during the depression.

Undoubtedly "direct relief" has been disastrously costly to Canada in loss of self-reliance, individualism, and saving habits, which long regarded as characteristic of Canadians, have been replaced in

the lives of many relief recipients by "relief-mindedness" or readiness to lean on the Governments.

Benefits Derived from Works.

It is certain that thousands of men have materially benefited by the planning and carrying out of public works in Canada during these distressing years. A large number of them have been started on the road to re-establishment of their self-respect by being once more self-supporting.

Industry in many lines has been stimulated by the extra activity which these public works have caused. Undoubtedly work for the unemployed is the ideal solution for unemployment; but unfortunately the exigencies of finance in this crisis have made it imperative for Government bodies to consider seriously and put into effect, to a very large extent, the least expensive way of providing the necessities of life for those who could no longer earn them. In spite of this, public works in Canada have certainly justified themselves in producing greater confidence, in promoting business activity which would otherwise not have been created, in restoring stability to our businesses, and strengthening the *morale* of a large contingent of the unemployed.

Conclusions.

From a study which regards not only the period since 1930, but experiences prior to that time in

dealing with the unemployment problem, the writer has come to certain conclusions which he ventures to set down herewith.

1. That the vast majority of unemployed very earnestly desire work rather than direct relief, but that this desire becomes less as the period of relief lengthens; that the dole will gradually but surely undermine many of the best characters among relief recipients; that for this reason Canada cannot afford to drift along for many more years with a large percentage of its citizens being supported on direct relief; and that the combined energy and brains of all citizens and Governments should be devoted, in no small measure, to the replacement of the dole by work.

2. That the course to be followed in getting our citizens back to work should be along the following general lines:¹

- (a) That from the unemployment lists should be segregated the unemployable; that the prob-

¹The National Employment Commission has in its Final Report formulated a number of conditions with which public works should comply in order to meet their purpose. According to the Report (page 19), public works projects should meet the following criteria:

1. Importance in stimulating increased non-governmental expenditures; e g., roads into mining or tourist areas.

2. Economic importance in improving the competitive position of industry, particularly of export industries, e g., improvement in dock facilities; afforestation or other conservation measures

3. Value in absorbing a high proportion of the type of labour available in the district in question, while at the same time making but slight demands on those types of labour of which a scarcity is becoming increasingly apparent; e.g., projects calling for a high proportion of unskilled labour such as elimination of grade crossings.

4. Low operating costs and low permanent overhead charges (interest, etc.), in order to permit of economies for governmental units as conditions improve; e.g., reclamation works; land clearance, etc.

5. Social value to the community; e.g., sewerage and park or other beautification projects.

lem of caring for the various groups of unemployables be dealt with in accordance with their needs. For example, homeless men beyond their prime might be housed on community farms or given partial pensions. Industry is not kind to women, especially those who have got beyond fifty or fifty-five, and many retail store clerks, factory workers, etc. are on the unemployment lists, their placement being difficult.

(b) That all the resources of the nation be used with the definite objective of absorbing all employable persons who cannot get along on their own resources, and that the problem be approached by:

1. Encouraging private industry to increase employment by giving favourable conditions as to markets and capital; and—in the case of certain industries which are of a development nature—by direct assistance, such as improving transportation facilities to our mining areas.

2. Undertaking public works of a self-liquidating, revenue-producing, or development nature, in sufficient volume to absorb unemployment.

This conclusion has been arrived at with a full realization of the financial difficulties, and of the fact that the objective could not be obtained overnight, but would take considerable time. However, the writer firmly believes that a consistent continuing policy with the foregoing definite objectives to mind would bring results. The cost would probably be much less than is feared, since undoubtedly a great stimulus would be given to industrial development in every direction.

VIII

THE CANADIAN UNEMPLOYMENT PROBLEM IN THE LIGHT OF FOREIGN EXPERIENCE

L. RICHTER*

A COMPARISON of the social development of one country with that of another is possible only after careful study. To mention only a few of the more important factors, we must take into account differences in climate and soil conditions, economic organization, transport facilities, density of population, standards of living and education. Such differences play so important a part that social problems which appear similar, may have to be differently interpreted and dealt with. This is the reason why the International Labour Conference finds it so difficult to agree on conventions and recommendations which will be useful or even acceptable for the large majority of the nations belonging to it.

Nevertheless, countries can learn a great deal from one another about social problems. The useful work done by the International Labour Office

*The parts of this chapter dealing with work relief in the United States have been read by Professor A. W. Macmahon of Columbia University and by Mr. Paul Webbink and Miss Gladys Ogden of the Committee on Public Administration, Social Science Research Council. The part on British unemployment policy was read by Mr. T. S. Simey of the School of Social Science and Administration, University of Liverpool. The author is deeply indebted to all of them for many helpful suggestions.

shows how valuable it is for people to have some knowledge of the social conditions beyond their own borders and how countries which have been early in developing measures for protecting their less privileged citizens can serve as models for others. But to profit by a model one must do more than copy it slavishly. It is necessary first to examine whether the conditions which led to the introduction of the measure are also present in one's own country. Then if this is found to be the case, one has to consider whether the idea underlying the measure can be put into practice in such a way as to fit in to the utmost extent possible with the special social, economic and cultural conditions in this country.

Thus when we examine the Canadian unemployment problem in the light of foreign experience, we must do so bearing these considerations in mind.

Such an examination is essential in this book, for in planning measures to combat unemployment in Canada, foreign experience has naturally been drawn on to a large extent. As is generally the case in Canada, we find English and American influences predominating. At the beginning of the depression, for instance, in establishing the system of direct relief or in organizing public works, American models prevailed, while later more attention was given to British schemes. For example, the Canadian Employment and Social Insurance Act of 1935 which was declared unconstitutional by the Privy Council, follows very closely, for the most part, the British unemployment insurance scheme.

This chapter, therefore, will deal chiefly with the measures taken by Great Britain and the United States to reduce unemployment. Occasional reference will be made to Germany which has carried out interesting and successful experiments for speeding up the process of recovery. The Canadian Home Improvement Plan, for instance, was preceded by a similar German scheme devised in 1932.

Aims and purposes of all these measures can only be properly understood if we examine them in the light of the attitude which Government and public opinion in the various countries had toward unemployment. Even as late in the depression as 1931, the opinion prevailed in England that mass unemployment of the post-war period differed from similar crises before the war only in extent, not in structure, that it could therefore be regarded as a passing phenomenon and that the crisis once being overcome, a return to "normal conditions" of the pre-war period might be hoped for. Obviously Governments indulging in this optimism would try to get along in their fight against unemployment with the old methods practised in pre-war days. They were prepared to change and adapt them so far as details were concerned, but they were opposed to a thorough reform of the whole system. It was quite a long time before this superficial optimism was given up in Britain and it was recognized that a business cycle of nine to twelve years and an average unemployment of 4 to 5 per cent. were definitely things of the past.

The reasons for these changes have been thoroughly examined by the Royal Commission on Unemployment Insurance which was set up in 1931 by the British Government and which numbered among its members such experts as Judge Holman Gregory and Professor Henry Clay. In the final Report of the Commission¹ which is one of the most valuable documents of contemporary social history, the high level of unemployment is explained by the fundamental changes in trade and production which have taken place since the war, and further by important changes in the structure of British industry. It is made clear that workers displaced by technical rationalization cannot, to the same extent as before, be absorbed through new inventions. Important old markets must be regarded as permanently lost and the opening up of new markets will only be possible in a limited way. Finally, high taxes and rigid wages make it difficult to adapt prices to international competition.

We must expect that the conditions described in the Report—which of course are not restricted to Britain—will make themselves felt for some time to come and will exercise an unfavourable influence on employment. When this view was finally accepted in England, the policy of patching up and muddling through was abandoned, and it was decided to set up permanent and comprehensive machinery to deal with unemployment of a lasting character. This was done by the Unemployment Act of 1934

¹Royal Commission on Unemployment Insurance, Final Report, 1932. Command 4185, especially Chapter II, Section 3.

which, with only a few exceptions, followed the recommendations contained in the final Report of the Royal Commission on Unemployment Insurance.

Developments which have taken place since have proved that the machinery thus established has not become superfluous now that the long awaited recovery has set in. Even in the relatively prosperous years 1936 and 1937 which were characterized by the rearmament boom, the average unemployment amounted to 12 per cent.² and 10.7 per cent.³ Of the 1936 figure of 12 per cent., it is estimated that 5 per cent. was caused by labour mobility and seasonal fluctuation. The remaining 7 per cent. is largely accounted for by special conditions, by the plight of the coal industry, the depression in the staple export trades and seasonal causes. But fear is expressed in an official Report⁴ that even this level which in itself is by no means favourable, may not be maintained. The Report forecasts that the boom of 1935-36 will be followed by a severe recession, made even more severe by the dead end of rearmament. Unemployment over the eight-year period 1935-1943, it is estimated,⁵ will average in Great Britain $16\frac{3}{4}$ per cent.

A similar change of opinion has taken place in the United States, though it has not been of so fundamental a nature as in England. Various reasons

²Report of the Unemployment Insurance Statutory Committee on the Financial Conditions of the Unemployment Fund on the 31st of December, 1936, pp. 5-11.

³Ibid., 1937, p. 6.

⁴Ibid., 1936, p. 11.

⁵Ibid., 1937, p. 9

account for this. The period from the end of the war up to 1929 was much more favourable for the industries of the United States than for those of Great Britain. Moreover, it was possible to equalize supply and demand within the country to a much larger extent. However, even optimistic observers cannot ignore the fact that the United States have suffered, in the last few years, from a very heavy unemployment and that the old methods of dealing with the problem were inadequate. After many experiments—both State and federal—often contradictory in aims and methods, in 1935 concentrated efforts were made to cope with unemployment. The chief measures taken then were the Social Security Act with its unemployment insurance and contributory old age pensions and the huge public works plan of which the Works Progress Administration (W.P.A.) was a central feature. To the foreign observer these measures appear to be integral parts of a comprehensive programme devised to attack the problem of unemployment in all its various aspects: but those closer to the scene contend that the Social Security Act and the W.P.A. programme were considered and enacted entirely independently of, and sometimes in conflict with, each other, rather than to constitute an integrated whole.

Unemployment insurance and contributory old age pensions are in their very nature permanent institutions, but neither is it probable that the Works Progress Administration will soon pass out

of existence. In the United States as well as elsewhere, it has been recognized by those responsible for the social policy of the country, that the problem of unemployment will not soon cease to exist. To quote one of the best experts, Relief Administrator Harry Hopkins,⁶ there remains "as a responsibility of the Government, a standing army of able-bodied workers who have no jobs. Probably for years to come it will be an army of substantial size."

WORK RELIEF⁷

While Britain may be regarded as the classic example of unemployment insurance, the most valuable contribution made by the United States toward the solution of the unemployment problem is the use of public works as a relief measure. Certainly much has also been accomplished in that respect in other countries, especially in Germany.⁸ But the extent and speed with which these measures were introduced and developed in the United States are unparalleled. This may be explained by the peculiar situation America was in at the beginning of the depression. In contrast to Britain and Germany, public institutions to deal with unemployment, such as employment exchanges, unemployment insurance or unemployment relief,

⁶Harry L. Hopkins, *Spending to Save*, New York, 1936, p. 182.

⁷The term "work relief" is chosen because it is used in the United States for public works of the type conducted by the W P A. and earlier agencies aiming to provide work for relief recipients and members of their families. This restriction, according to the American terminology, does not apply to public works in the proper sense of the words—work created by public authorities to increase employment.

⁸Leo Grebler, "Work Creation Policy in Germany 1932-35", *International Labour Review*, 1937, Nos. 3 and 4.

were at that time completely lacking. Existing private organizations soon became quite incapable of meeting the needs of millions of unemployed. The Government, therefore, when it decided to take action, had, in many areas, to create entirely new machinery. That this new scheme finally became not a system of relief or assistance, but a gigantic plan of public works, is due to the American mentality which abhors the dole. The leaders of the country were eager to provide work for all the unemployed, a goal aimed at by many other Governments which, however, were more sceptical about the possibility of realizing that ambition.

The policy followed in this respect by the United States has not always been, and is not even now, clear and concise. To find one's way through the various programmes, federal and State, which, often contradictory, follow each other rapidly after 1933, is just as difficult for the outsider as not to become confused with the various organizations usually referred to by their initial letters, often quite similar, but they all have the common aim of providing work and not of giving public assistance of one sort or another.

Relief works were already under way⁹ in many states and municipalities even before the federal government took action in May, 1933, when Congress passed the Federal Emergency Relief Act

⁹In the Emergency Relief and Construction Act of 1932, \$300,000,000 had been appropriated by Congress for this purpose. This money was loaned to the States as advance on future highway money (a provision that was later abolished) for the purpose of relieving unemployment through both direct and work relief.

(F.E.R.A.), making available to the states grants amounting to \$500,000,000. Part of this money was used for local relief works programmes through which in 1933 more than one million persons were employed. These programmes, however, were mostly unsatisfactory. The earnings were too low and the projects of limited social value.¹⁰ Therefore, in the Fall of 1933, a fundamental change of policy took place. Through the establishment of the Civil Works Administration in November the planning of public works for relief purposes became a task for the federal government.¹¹ It was chiefly financed by the Treasury, the federal funds being supplemented only to a small extent by co-operating states and local agencies. By the winter of 1933-34 more than four million unemployed were engaged in public works. They received the customary wages of the respective industries. Only half of those employed were taken from the relief rolls. However, since the programme proved to be very expensive, and was, on account of its wage policy, attacked by employers, it was abandoned early in 1934. It was replaced by the so-called Emergency Works Programme¹² to which only relief recipients and the members of their families were admitted.

¹⁰Works Progress Administration, *Report on Progress of the Works Programme*, March, 1937, p. 3.

¹¹There had been prior efforts in the years before but they did not meet with great success.

¹²The Emergency Works Programme had no independent existence. It was merely a device created by the Federal Emergency Relief Administration in its efforts to regularize and improve somewhat the type of work relief which had been carried out by the states and localities prior to the Civil Works Programme.

Wages were graded according to local conditions and could not be higher than the local relief authorities deemed necessary to supplement the family budget. Indigent unemployed not engaged in these works received direct relief provided by the Federal Emergency Relief Administration.

Again there was a fundamental change in policy. In his famous message to Congress of January 4, 1935, the President declared that the federal government would in future have no more to do with direct relief and would turn back this task to the states and municipalities. These, however, would only have to care for unemployables. All the able-bodied unemployed would be provided with work by the federal government, a task that was eventually entrusted to the Works Progress Administration (W.P.A.).¹³

At the same time the Social Security Act introduced compulsory unemployment insurance and contributory old age pensions; the first to tide the unemployed over periods of temporary idleness, the second to take care of those who because of age could no longer hope to be re-employed. The Works Progress Administration, therefore, will in future mainly be concerned with able-bodied persons temporarily out of work. For the present, however, and for the next few years the Administration will also have to care for a considerable proportion of the unemployed who later may have a claim on

¹³The W.P.A. was not a new agency but it grew out of the pre-existing organization of the Federal Emergency Relief Administration

insurance benefits. Up to January 1, 1938, only the State of Wisconsin has paid insurance benefits and less than half of all the states began payments on that date. On the other hand, the number of persons for whom the W.P.A. is responsible is restricted: only indigent persons and their families who are on the relief rolls may be employed, and from each family on relief only one member.

The W.P.A. is by no means the only agency charged with the task of promoting public works. The Departments of Agriculture and of the Interior, the War and Navy Departments, the Public Works Administration and the Civilian Conservation Corps have launched a great number of valuable and extensive projects which cost nearly as much as the W.P.A. projects.¹⁴ But discussion here will be restricted to the W.P.A., as it has more than any other agency endeavoured to develop public works as a relief measure, its chief aim being to provide employment for those on the relief rolls.

The total number of persons employed in W.P.A. projects has fluctuated with business conditions and also with the amount of available funds. The numbers employed from September, 1935, to July, 1938, showed the following variations:

September 28, 1935.. .. .	456,000	(739,000)
March 28, 1936.	2,872,000	(856,000)
September 26, 1936.. .. .	2,482,000	(935,000)
March 27, 1937.	2,115,000	(718,000)
September 25, 1937.	1,451,000	(500,000)
June 25, 1938.	2,767,000	(651,000)

¹⁴Cf., p. 337.

The figures in brackets give the number of persons employed in public works projects undertaken by other Government agencies.¹⁵

What is a fair wage policy for these workers? This was one of the most difficult questions facing the Administration. When, under the Civil Works Programme in the winter 1933-34, the customary wages in private industry had been paid for the customary hours of work, the Government met with sharp protest from employers, especially in the South. It was accused of paying too high wages and of diverting workers to Government jobs. In 1935 the Administration was naturally anxious to avoid a recurrence of this situation. On the other hand the trade unions were suspicious and fearful of their wage standards; they thought relief workers should be paid union wages.

The way out of this dilemma was found in the so-called "security wages". Under this policy hourly wages correspond to the prevailing rates for work of a similar nature,¹⁶ but the worker may only be employed long enough to earn the monthly average demand fixed by the W.P.A. In determining this demand, wage levels and cost of living in various parts of the country have been taken into consideration, as well as the skill and occupation of the worker. The four groups of unskilled, semi-skilled or intermediate, skilled, and professional and technical workers are paid different wages and

¹⁵Works Progress Administration: *Report on Progress of the Works Programme*, July, 1938, p. 33.

¹⁶Emergency Relief Appropriation Act, 1936

the rate for each varies according to the place in which he is employed. The country is divided into four different regions for this purpose and within each region rates are varied according to five degrees of urbanization. Altogether there are sixty different wage groups and for those familiar with the history of regional wage classification in collective agreements and in Government salary scales, it is not surprising to learn that changes in the classification are very frequent.

In order to secure a limited number of workers with specialized training needed for some projects, up to 5 per cent. (formerly 10 per cent.) of all workers may be employed at non-security wages and taken from non-relief sources. In August, 1937, this group numbered only 3.8 per cent.

The average monthly security wage for all classes of W.P.A. workers was, in August 1937, \$57.26. Unskilled workers, who amounted to 63.6 per cent. of all unemployed, earned an average of \$46.50. Persons assigned to the technical and professional classes averaged \$87.54, but they represented only 4.9 per cent. of the total workers. The classes between these two, the skilled and semi-skilled workers, who amounted to 14.5 and 13.2 per cent. of all the unemployed, earned an average of \$77.44 and \$57.98 respectively.¹⁷ The average hourly earnings for all projects were in January through to October 1937, 53 cents; they ranged from 67.7 cents

¹⁷Works Progress Administration, *Report on Progress of the Works Programme*, December, 1937, p. 50.

for white-collar projects to 40.4 cents for goods projects. In order to earn the security wage for this group, the workers had to have employment for an average of 111 hours during the month—that is, assuming 27 work days in a month, about 4 hours every day. From the beginning of the W.P.A. programme in the summer of 1935 up to the end of October, 1937, altogether about 6,000,000 hours were worked and \$2,852,000,000 paid in security wages.¹⁸ This corresponds to an average hourly wage of 47.7 cents.

In reading the excellent reports published at regular intervals by the W.P.A. on the progress of the Works Programme, and realizing the enthusiasm with which those responsible for the task speak about their experience, one cannot help feeling great respect for the fine results which have been achieved.

In many cases the Administration has succeeded in developing excellent methods for serving the two purposes it is striving for, namely, to create work for the unemployed and at the same time to meet social needs which hitherto have not been adequately satisfied. In doing so the Administration had sometimes to proceed in unexplored fields and to risk untried experiments, but help has in that way been extended to groups which could hardly have been reached in other ways. Even where the customary public works programme was carried out, very often new and effective methods have been applied.

¹⁸Ibid., p. 98.

The following table shows the types of work which have been undertaken and the sums spent on them:

NUMBER AND ESTIMATED TOTAL COST OF W.P.A. PROJECTS PLACED IN OPERATION BY TYPES OF PROJECTS CUMULATIVE THROUGH SEPTEMBER, 1937

TYPE OF PROJECT	NUMBER OF	ESTIMATED TOTAL COST	
	PROJECTS	AMOUNT	PER CENT
Grand Total.....	158,036	\$4,690,134,316	100 0
Highways, roads and streets. . . .	48,328	1,716,575,184	36 6
Public buildings.	25,684	509,616,389	10 9
Administrative	3,705	68,905,807	1 5
Charitable, medical and mental institutions	1,607	50,545,697	1 1
Educational	11,603	171,399,545	3 7
Social and recreational	3,269	79,869,011	1 7
Federal (including military and naval).	696	37,910,643	0 8
Improvement of grounds	3,337	51,298,154	1 1
Housing and demolition	44	10,540,711	0 2
Other (a)	1,423	39,146,821	0 8
Parks, Playgrounds and other recreational facilities.	10,130	508,010,445	10 8
Conservation.	6,711	222,484,482	4 7
Sewer systems and other utilities..	15,752	444,571,474	9 5
Water purification and supply..	5,053	118,145,281	2 5
Sewer systems	9,797	296,983,433	6 4
Electric utilities.	359	11,173,852	0 2
Other (a)	543	18,268,908	0 4
Airports and other transportation.	1,383	130,780,400	2 8
White collar	25,271	490,874,467	10 5
Educational	2,589	98,130,144	2 1
Recreational	2,640	76,876,771	1 7
Professional and clerical	20,042	315,867,552	6 7
Goods.	10,467	408,251,358	8 7
Sewing	7,654	339,231,324	7 2
Canning.	308	4,315,280	0 1
Other (a)	2,505	64,704,754	1 4
Sanitation and health.	3,968	123,960,594	2 6
Elimination of stream pollution.	172	6,228,799	0 1
Mosquito eradication	938	42,197,301	0 9
Other (a)	2,858	75,534,494	1 6
Miscellaneous.	10,342	135,009,523	2 9

(a) Includes projects classifiable under more than one of the headings above.

In analysing these figures it must be remembered that the W.P.A. is only one of the federal agencies planning and promoting public works. An amount nearly as large as required by the W.P.A.—\$4,235,000,000 compared with \$4,690,000,000—has been spent on projects sponsored by the Federal Departments of the Interior and Agriculture, by the Navy and War Departments, by the Public Works Administration, the Civilian Conservation Corps and other agencies.¹⁹ Moreover the table only contains sums spent from federal funds and does not give the contributions made by states, local authorities and other sponsoring agencies.

The great majority of the projects approved by the President were of the construction type. One-third of them consisted of work on highways, roads and streets. Up to the autumn of 1937, 47,000 miles of new roads were constructed and 159,000 miles repaired. Care was taken to assist only projects which otherwise would not have been tackled at all or at any rate, not at that time, such as the building and repair of secondary roads and roads leading to the markets.

Among the buildings which have been erected or repaired, schools take the first place. Here again the only school boards that may be assisted are those whose revenues are inadequate to meet the expenditure necessary for the pupils in attendance. Up to September 15, 1936, 1,100 new schools were built making room for 160,000 children. In the

¹⁹Works Progress Administration, *Report on Progress of the Works Programme*, December, 1937, p. 16.

same period, repairs and improvements were made to 7,000 educational buildings accommodating a total of 2,750,000 students. The need for new school buildings and for repairs on old ones is a problem facing a good many Canadian authorities also.

Of the other projects two may be examined for the new and interesting achievements shown by the Works Progress Administration, the White-Collar Programme and the Youth Programme.

The problem of white-collar workers which has caused great difficulty not only in Canada, but also in England and Germany appears to have been solved quite easily by the Works Progress Administration. The many thousands of industrial and agricultural projects which have been undertaken, naturally required for their proper administration a clerical and technical staff and these could be taken from the ranks of the unemployed. In the same way, even highly specialized workers could be placed without great difficulty, but the Works Progress Administration also started projects especially designed for white-collar workers. The Dominion Bureau of Statistics in Ottawa will learn with envy that for working up the census results during certain periods, fifteen thousand people, and later an additional three thousand, were employed by the W.P.A. Topographical surveys and the drawing of maps have also been liberally assisted by W.P.A., as well as projects of scientific research.

While some of these tasks have produced favourable results²⁰ from which a future generation will benefit, another white-collar plan brought immediate financial returns and even a surplus. The Bureau of Internal Revenue of the Treasury Department has, through the Works Programme, undertaken an investigation of tax returns of individuals, corporations and other organizations in an effort to detect evasions in the payment of income, alcohol and other taxes. These investigations were identical with the examinations made by the regular staff of the Department, but covered the returns which are normally filed away without inspection because of the inability of the regular staff to handle them. Through the W.P.A. project, collection of 8.4 million dollars was made from delinquent taxpayers, while the cost of operation only amounted to 4.7 million dollars.²¹

Probably the most widely known and most popular feature in the white-collar programme of W.P.A. are its fine art, theatre and music projects.²² An attempt—and a very successful one—has been made to find work for unemployed artists in their own spheres and by so doing to carry art to the broad masses of the people, and to bring joy to

²⁰Opinion about the usefulness of relief research projects seems to be divided, according to information the writer was able to gather. Certain projects have evidently been highly successful, but as one would naturally expect, hasty organization, lack of funds or personnel for sufficient supervision and the accumulation of persons of highly diverse grades of competence have also led to some unhappy experiences.

²¹Works Progress Administration, *Report on Progress of the Works Programme*, December 15, 1936, p. 26.

²²*Ibid.*, June, 1938, pp. 78-81.

their lives by teaching them appreciation of art. Space does not permit a description of the manifold projects of W.P.A. in that field and only a few may be mentioned.

Hundreds of creative artists have been employed to produce examples of contemporary American art for public institutions. Hospitals, high schools, community centres have been adorned by mural paintings, thousands of easel paintings have been made available to libraries and other public institutions. Posters are made for public agencies throughout the country to assist in campaigns for better citizenship, public health, municipal cleanliness and public improvement programmes. Fifty community art centres and hundreds of art classes have been organized and exercise a most valuable educational influence. The art resources of many communities have been catalogued and free public lectures and classes have been given.

The Federal Music Project is carrying musical entertainment and leadership to the underprivileged in remote rural areas and congested districts in cities. Orchestras have been formed from unemployed musicians and symphonies and operas are being heard by multitudes who in the past did not have such opportunities. The great interest aroused by these concerts has on the other hand facilitated the return of hundreds of musicians to private employment. Work for teachers of music has been provided by establishing classes in musical instruction and appreciation. Teaching units often

operate in rural areas. In quite a few cases teachers have obtained private employment when school boards have added them to township and county staffs.

The Federal Theatre Project has formed some hundred companies employing directors, actors, stage hands and other theatrical personnel, and is operating in thirty states. The companies have given performances in orphanages, hospitals, schools, homes for the aged and other institutions and in the regular theatres, many of which had been dark for years. A large place in the theatre project is given to other types of entertainment, marionette shows, circuses, musical comedies and foreign language productions. By June, 1938, more than fifteen hundred workers in Federal Theatre Projects had returned to jobs in private industry.

Another interesting feature of the W.P.A.'s activities is the Youth Programme. Its main task is to assist high school and college students who for financial reasons could no longer continue to attend educational institutions. By providing suitable work, it enables them to go on with their studies. The Youth Programme also gives attention to improving recreational training, job placement and general facilities for young people all over the country.

The duties which students perform under the Youth Programme are manifold. They do clerical and manual jobs in connection with their school or college; they work in libraries and in laboratories;

they provide secretarial and stenographic assistance to teachers; they act as assistants in museums and co-operate in community projects such as performances in art, music and drama. In December 1936, 405,000 students were aided in this way: of this number 265,000 were high school students, 135,000 college students and 5,000 graduate students. To complete the picture, it may be mentioned that the 135,000 college students worked 5,148,000 hours, receiving \$1,688,000.²³ The number of college and high school students assisted under the programme has fluctuated very much. The peak was reached in April, 1937, with 444,000, while in May, 1938, about 326,000 received aid.

For young men and women no longer attending school or college, special works projects with a lower security wage were established. These included recreational and community services, training in public service, land development and construction and repair of buildings. The 180,000 boys and girls engaged in work of this type in May, 1938, and nearly all certified as in need of relief, earned an average of \$15.50 per month.²⁴

Another type of assistance given to young men may be mentioned here, though it does not come under the Works Progress Administration but is administered by a special organization, the Civilian Conservation Corps (C.C.C.). The camps established by the C.C.C. have a certain similarity in

²³Ibid, March, 1937, p. 56

²⁴Ibid., December, 1937, p. 64.

the now defunct labour camps in Canada and to the labour service in Germany as it existed prior to 1933. These camps are not, however, as was the case in Canada, confined to single homeless men but are open to all boys between the ages of seventeen and twenty-eight, who are suitable for the work and whose families are indigent. There were, in the fiscal year 1937, about 2,000 camps²⁵ giving accommodation to 316,000 young men at a cost of \$396,500,000. In the beginning their work consisted mainly in improvements of forest lands, planting of trees, fighting insect pests and tree diseases. (The C.C.C. has, in the fiscal year of 1937, planted about 365,000,000 forest trees.) The work later on was extended to the development of parks, building of check dams and bridges and similar projects. The boys receive for their work \$30 monthly but they are expected to send \$25 of that sum to their families and this is generally done.

Though the camps are under the supervision of the Army and are in charge of military officers, they are by no means a military institution. Along with the work go educational tasks, for the performance of which 30,000 instructors have been appointed. The training is highly specialized. In the official Report of 1937, the following 25 specific types of practical training are enumerated which are offered in the C.C.C.:²⁶ Auto mechanic, truck

²⁵Annual Report of the Director of Emergency Conservation Work, Fiscal Year Ending June 30, 1937, p. 7.

²⁶Ibid., p. 8.

driver, tractor operator, steam-shovel operator, road grader, welding, concrete construction, blacksmith, bridge construction, telephone lines, surveying, map reading, drafting, fence building, sign painting, timber cruising, forestry practice, road and trail construction, landscaping, cabin construction, stone masonry, blasting, carpentry, drainage construction. The results of this training seem to be quite satisfactory. According to the Report²⁷ quoted above, a large number of men is being honourably discharged before the expiration of their term of enrolment in order to permit them to accept employment in private industry.

The camps have evidently been quite successful in achieving social, economic and educational aims at the same time. Public opinion readily acknowledges the valuable work done by the C.C.C. It is perhaps the most popular organization created by the Roosevelt Administration and it seems certain that the C.C.C. will become a permanent institution.

A far more difficult task than caring for young men has been the provision of suitable employment for girls and young women. The Works Progress Administration has, through its educational branch, established for them a number of camps which are quite independent of the C.C.C. and are open to girls and women between eighteen and twenty-five who have been previously employed. The inmates of the camps are engaged in various tasks, such as making bedding for hospitals, clothing for relief

²⁷Ibid., p. 4.

recipients, etc. They receive a security wage which covers their food and accommodation, leaving them pocket money of \$5 a month. The expenditure for a girl varies from \$40 to \$45 per month. The educational programme in these camps includes classes in English, health, education, and social and economic problems. Recreational activities, sports and athletics and the conduct of camp through student government are also educational factors. In contrast to the C.C.C. camps, however, the Administration does not yet seem to have succeeded in finding the right equilibrium between work and education. Efforts are being made to enlist the camps more actively in the service of vocational training. But no clear-cut programme has yet been evolved, owing to the overcrowding of most occupations open to girls. In the spring of 1937 the number of camps was considerably reduced and their future is still uncertain.

As the camps can naturally house only a limited number of girls and women, special types of projects have been created for them of which the most important are sewing rooms. The 179,000 women engaged in this work in the first week of April, 1938, represented 53 per cent. of all W.P.A. women employees. The sewing rooms differ in character according to the number of women employed and to the district in which they are located. There are small units doing simple repair work as well as large plants using modern industrial machinery. The goods produced by them are distributed to families

aided through public relief agencies and to public tax supported institutions such as hospitals, kindergartens, homes for the aged and so on.

In spite of the many fine achievements which the Works Progress Administration has to its credit, its activities meet with growing criticism. This is caused partly by the difficulties encountered in carrying out the programme, but the chief cause lies in the gigantic task imposed on the Administration, a task for which even the most efficient machinery might well have proved inadequate.

The W.P.A. has not been required to provide work for a limited number of unemployed especially fit for it, as the public works policy in England and Germany has been designed to do. Works projects in the United States were to take the place of unemployment relief and, at least temporarily, of unemployment insurance for all able-bodied unemployed. The W.P.A. is obliged to find useful employment for all of them.

Owing to the great number of unemployed in the United States and their uneven distribution over wide areas, this would have been a very difficult problem even if the W.P.A. had been allotted funds in proportion to the number of persons it has to care for. Instead, the total amount put at the disposal of the Administration was in a lump sum and did not suffice at any time to absorb all employable persons. As a consequence not only the unemployables, as indicated in the President's message, but

also a great many employables had to be cared for by states, municipalities and local charities in spite of the fact that they complied with all the requirements for admission to W.P.A. projects. The number was estimated at 350,000 in an investigation conducted at the end of March, 1937, in thirty selected cities by the Research Division of the W.P.A.²⁸ In the opinion of social workers, however, the figures should be much higher, especially in the big cities,²⁹ and they will increase further as the funds allotted to the W.P.A. decrease, and its programme has to be reduced in consequence.

This development not only means that the pledge made by the President has not been fulfilled and that the responsibilities have been shifted from the federal government to the states and local authorities, it also imposes severe hardships on the unemployed concerned. Under the Federal Emergency Relief Administration, Washington had participated to a large extent in the cost of direct relief given by local organizations. In some of the states the federal government had even taken over the whole administration. Under W.P.A. direct relief has become an exclusive responsibility of the States. Several among them, especially in the South, were quite unable to cope with the task owing to lack of funds or an inadequate administration. A considerable number of states have stopped direct relief altogether during certain periods after

²⁸Emergency Relief Appropriation Act 1937, Hearings before the subcommittee of the Committee of Appropriations, House of Representatives, pp 220 and 223.

²⁹*This Business of Relief*, New York, 1936, p. 72.

federal subsidies were withdrawn, and there are also many municipalities of which this is true. In others such as Ohio and Illinois, State subventions to the municipalities have been intermittent or highly inadequate. In still others among the small number in which State relief administrations are still functioning with an effectiveness nearly as great as in 1931 or 1933, administrative supervision has been weakened as in New Jersey, or local political manoeuvres have attained greatly increased importance as in Pennsylvania.³⁰

Even Relief Administrator Harry Hopkins admits that the unemployed when taken over by the states were often neglected and suffered privation.³¹ When the W.P.A. was set up, a considerable reduction of relief rates could be noticed in various states. This meant hardship not only for the unemployables but, as explained before, for a good many employables who could not be taken care of by the W.P.A.

Public opinion is rather indignant about this development, all the more because the W.P.A. proved to be far more expensive than was anticipated at the time of its creation. Even by American standards it requires enormous sums. Up to June 30, 1938, altogether \$4,308,000,000 was spent by the W.P.A. from federal funds, while \$791,000,000 was pledged by states, local authorities and other sponsors of projects.³² The sum necessary to keep

³⁰Information gathered by the writer in 1937.

³¹Harry L. Hopkins, *Spending to Save*, pp. 181 and 189.

³²Works Progress Administration, *Report on Progress of the Works Programme*, June, 1938, p. 51.

an unemployed at work for a year amounted to \$912, calculated on the basis of the figures given by the W.P.A. for the period July-October, 1937.³³

It seems unfair, however, to accuse the W.P.A. of spending money too lavishly as is so often done in the United States. The blame should be directed not against the methods of the W.P.A. but against the policy of requiring jobs to be given to all the unemployed. For the cost of public works increases, not only according to the number employed, but at a more rapid rate from the point where projects requiring large capital investments are started. Such projects cannot very well be avoided if millions are to be given useful work. Reforestation, building of secondary roads and similar comparatively cheap schemes are, then, insufficient. Plans have to be undertaken in which the share of human labour is comparatively low while large sums are needed for material and machinery. This is proven through the increase in the contributions of sponsoring bodies which are mostly needed for non-labour costs. While they amounted to an average of 14 per cent. of the project cost from the start of the W.P.A. up to September 30, 1937, they had risen to 21 per cent. in the last four months of that period. This rise is evidently caused by a change in the nature of the projects undertaken. To quote the official Report of the Administration:

³³Ibid., December, 1937, pp. 38 and 39. According to the Report there were spent monthly per worker from federal funds \$55 on labour costs and \$8 on non-labour costs, and in addition 21 per cent. of that sum from sponsoring bodies. The sponsors' contributions were mostly meant for non-labour costs.

"Because federal funds must be spread to give work to as many needy unemployed persons as possible and consequently are used to only a limited degree for non-labor costs, projects with high material costs tend to be operated only if the sponsors bear a large proportion of these costs. On an expenditure basis, sponsors met 45 per cent. of the non-labor costs incurred through October 1937, and during the 4 months ending October 31, 1937, sponsors provided 64 per cent. of all non-labor costs. In general, the extent of the total outlays by sponsors varies with the non-labor requirements for project work, being relatively large on many public buildings, public utility, and other construction work."

The recurrent necessity of starting new projects also leads to abuses which are not infrequent in the history of the W.P.A. Occasionally works are undertaken which in their very nature are not suitable for unskilled labour. Local politics play their part and local authorities which are supposed to take the initiative in sponsoring works, try to outdo other states and cities in the planning of public improvements financed by the W.P.A. As a consequence, large sums are sometimes invested in enterprises which are not urgently needed. The more extensive the scheme the greater the danger of competing with private industry.

There is also an unfavourable psychological effect on the unemployed who have been promised work by the Government, especially when such a promise has not been kept. The unemployed believe that the

Government has given them a right to have jobs provided for them. They are therefore inclined as soon as they have been given a job to cling to it and to feel themselves Government employees. Statistics from Wisconsin show that from January until March, 1936, the number of W.P.A. workers who were taken on by private industry was only half as great as the number of direct relief recipients who found jobs. In the spring of 1938 there were municipalities in which little or no effective checking of the W.P.A. rolls had been carried through for nearly two years. This has resulted in the utilization of federal funds for persons who might not today be eligible for relief while the local governments are being hard pressed to meet the relief costs.³⁴ Likewise it is stated in a Report presented to the Governor of New York that "the tendency of some of the workers to regard work relief as permanent and as a rightful pension is a serious problem".³⁵ This danger, which is always connected with public works, has in Britain been successfully met by introducing a relay system providing for changing the men engaged on public works at intervals of from one to three months.³⁶ Such a system does not conduce to the efficient execution of the work but it has on the other hand the great advantage of spreading the beneficial effects of public works among a much larger number of unemployed.

³⁴Information gathered by the writer.

³⁵*Work Relief in the State of New York*, p. 28.

³⁶*Final Report of the Unemployment Grants Committee, 1933*. Cmd 4354, p. 27.

It may be argued that work relief is meant for employables while those receiving direct relief are unemployables. Such a distinction, however, does not seem justified. First of all, as was pointed out before, there is among the relief recipients, a large number of employables. Further, the distinction between employables and unemployables is, in a good many cases, a very arbitrary one as anybody familiar with the work in a relief office will admit. Under no circumstances can the question of employability be used to determine the extent of relief to be granted to an unemployed person. A classification introduced by the authorities for the practical purpose of determining the *kind* of relief to be given, may not be used to give preference to one group of indigents over another. The help extended to the unemployed must be adequate no matter whether it is granted through direct relief or through work relief and no matter what administrative body is responsible for it. That direct relief administered by states and municipalities has very often been inadequate is admitted even in authoritative publications.³⁷ In the first six months of 1937 a family on relief received on an average \$22.75 per month, while it required about \$74 (including non-labour costs and contributions of sponsoring bodies) to keep a person at work at a W.P.A. project, of which sum he received \$50.21 in security wages. Certainly work is better than a dole, but it seems hardly justifiable to carry on a

³⁷See footnote 31.

costly relief programme while large groups of unemployed are unable to furnish for themselves the necessities of life. A similar decision had to be taken in a much older branch of social security, in the British system of compulsory health insurance, regarding the benefits to be granted to the insured. Funds have to be used in the first place to give a certain minimum of benefits—especially medical treatment, medicines and certain payments in cash to all the insured—and only in case a surplus is available, so-called additional benefits might be granted such as treatment in a sanatorium or in a convalescent home.

In discussing the policies of the W.P.A., we have assumed that public works are a relief measure. That is essential. For if they meant genuine work undertaken for economic reasons and by economic methods, we need not worry about the relation between the expenditure for public works and the cost of direct relief. But it goes without saying that most of the public works projects would not have been undertaken if it was not for the need of relief, for they are always much more costly than “genuine” work. While no figures could be obtained in that respect for the United States, it has been estimated that for Great Britain the additional expenditure caused by the relief character of public works amounts to 15 per cent. of the wages cost.³⁸

In Britain and Germany, public works have been undertaken not in order to absorb all the able-

³⁸Unemployment Grants Committee, Final Report, 1933, p. 27.

bodied unemployed, but for the purpose of preventing persons, during long spells of idleness, from becoming unfit for re-employment. Public works have served as a sort of therapeutic measure. Their great social value is thus not disregarded but their applicability in times of depression is more sceptically viewed than in the United States.

EMPLOYMENT EXCHANGES

While there is a good deal of dispute about the methods which have been adopted in the various countries to overcome or at least to mitigate the effect of depressions, there is unanimity in one respect: that a well functioning system of employment exchanges is indispensable for that purpose. When we speak of an employment exchange we think of course not of a bureaucratic institution busying itself in making reports and compiling statistics, but of an exchange which is a living organ of our economic life; which is readily used by both employers and workers because they know that they are well served. Such exchanges are in existence in Britain and Germany, and the United States is about to develop them in connection with the establishment of unemployment insurance.

For no system of unemployment insurance, no workable scheme of unemployment relief, can exist without such an employment exchange system. When in 1908 the British Government announced a State unemployment insurance scheme, Mr. Lloyd George called the establishment of employment

exchanges "a necessary preliminary".³⁹ Therefore insurance, when it started to function in 1912, was closely connected with the employment service and both were directed by the same department. It was officially stated in 1913 that this association of the employment exchanges with the administration of unemployment insurance, was one of the principal lines of defence against abuse of insurance by men who could be in employment.⁴⁰

This early connection between employment exchanges and unemployment insurance which is of particular importance for their local branches has become closer still in the course of years. No important decision is taken by the officers of the Insurance Fund, and, in particular, no benefit is granted before the applicant has passed through the employment exchange. Under the present law⁴¹ a claimant for benefits is disqualified if it is proved "by an officer of the Ministry of Labour—

(a) that the claimant, after a situation in any employment which is suitable in his case has been notified to him by an employment exchange . . . as vacant or about to become vacant, has without good cause refused or failed to apply for that situation, or . . .

(c) that the claimant has without good cause refused or failed to carry out any written directions given to him by an officer of an employment exchange with a view to assisting him to find suitable employment. . . ."

³⁹Budget Speech, April 29, 1909, quoted in the Final Report of the Royal Commission on Unemployment Insurance, 1932, para. 576.

⁴⁰Ibid., para 578.

⁴¹Unemployment Insurance Act, 1935, s. 28.

In order to perform their task properly, the employment exchanges must be able to view the whole labour market. This, however, is only possible if not only the workers apply to them—which would soon be the case if unemployment insurance is introduced—but if also the great majority of employers make use of them for filling vacancies. In view of the recognized importance of this factor in Britain as well as in Germany, the question has been discussed whether employers should not be compelled by law to engage workers exclusively through the medium of the employment exchanges. Such a proposition was, however, rejected by the British Royal Commission on Unemployment Insurance.⁴² In Germany, also, the rule that the use of employment exchanges is a voluntary one has been upheld in principle, though vacancies in a steadily increasing number of industries can only be filled and juveniles can only be engaged with the permission of the exchanges.

Great care has been taken in England as well as in Germany to equalize the supply and demand for workers throughout various parts of the country. Public opinion will not tolerate groups of workers in one district being paid insurance benefits or relief, while in other districts there is a demand for the same type of workers. Though the problem in Canada with its great distances is more difficult to solve than in Europe, experiments undertaken by the two large Canadian railway companies in trans-

⁴²Final Report of the Commission on Unemployment Insurance, 1932, para. 588.

ferring workers temporarily from one region to another instead of laying them off, shows that something may be accomplished, even here.⁴³

It is true that employment exchanges cannot create work. But they can see that available jobs are distributed among those most suitable for them. The important functions of employment exchanges have been admirably described in the Final Report of the Royal Commission on Unemployment Insurance⁴⁴ as follows:

The Exchange has to:—

“1. reduce the actual amount of unemployment by decreasing periods of waiting between jobs and by filling marginal vacancies which, but for the existence of a national clearing system, would probably remain unfilled;

“2. increase the efficiency of labour by the careful selection of the employees to be submitted to employers who notify vacancies and by offering employers a wider choice of labour than they would otherwise obtain;

“3. link together the supply of and demand for labour over the whole country in such a way as to increase the fluidity of labour. Apart from long-distance placing work, the seasonal work of the Exchanges is an excellent example of the successful operation of this function;

“4. provide an opportunity for the decasualization of labour—such as dock registration schemes—although the extent to which decasualization actually takes place is a matter largely outside the control of the Exchanges.”

⁴³G. M. Rountree, *The Railway Worker* (Published in the McGill Social Research Series, 1936), p. 270 ff.

⁴⁴Para. 582.

UNEMPLOYMENT INSURANCE

Whenever measures are discussed in Canada to protect the worker against the risk of losing his job, unemployment insurance is the first to be mentioned. Its advocates as a rule refer to the fine achievements of the British system, while comparatively little attention is given to the interesting experiment that is being carried out in the United States. The first Canadian legislation in this field, Mr. Bennett's Employment and Social Insurance Act of 1935, followed very closely the first part of the British Unemployment Act, 1934. The Canadian Act, as mentioned before, was declared constitutionally invalid by both the Supreme Court of Canada and the Privy Council, and it may be anticipated that new legislation which will replace it, will show more of British than of American influence. It seems, therefore, reasonable to analyse briefly the British legislation dealing with unemployment insurance. All the more so as it furnishes excellent material for studying all the advantages and limitations of the insurance system as such.

When unemployment insurance was first introduced in England, it was the intention of Government and of Parliament to make it real assurance. It was meant to be a self-supporting institution based, as in private insurance, on strict actuarial principles, the benefits to be paid for a limited period being covered by previous contributions. The contributions, it is true, were, in contrast to private insurance, not paid exclusively by the

insured persons, the workers, but were shared by their employers and the Government. But this participation was limited and was, moreover, part of the actuarial calculation.

Insurance, so it has been defined, means spreading by means of mutual contributions, the burden caused by a contingency which will occur to a few among those who are exposed to the risk, provided that its occurrence is accidental and that the burden caused by it can be estimated. It is the last prerequisite that causes great difficulty in unemployment insurance. For even in "normal times", the extent of future unemployment may not easily be estimated by actuarial rules. The fathers of the early British legislation were quite aware of that weakness and therefore tried to protect the scheme by proceeding carefully and gradually. The scheme, when first started, gave protection to only two-and-one-half million workers in seven selected groups of industry. Payment of benefits was entrusted to the trade unions as far as their members were concerned, on condition that they paid benefits of an equal amount from their own funds. In this way the interest of the trade unions in keeping their expenditure down was used to the advantage of the insurance fund. The State scheme has also in many other respects profited by the long experience of the trade unions in handling unemployment benefits.

According to the first Act of 1911, the contribution of workers and their employers was $2\frac{1}{2}$ d. per

week and that of the Treasury 1d. Five weekly contributions entitled the worker to one week of benefits, the weekly rate being 7s. each, and the maximum duration thirteen weeks.

The careful selection of the groups eligible for insurance, the fixed proportion between contributions and benefits and the restriction of benefit periods were the chief safeguards which protected insurance against financial abuse and their abandonment in the post-war period proved very harmful to the insurance fund.

Insurance was in 1916 extended to large groups of workers producing war material, and in 1920 to nearly all other industries. Excluded were agriculture, for which as late as 1936 a special system was introduced with lower contributions and benefits, and some smaller groups of which the most important was domestic servants. Altogether in 1920 about twelve million people were given protection by the insurance system. Among them were various groups which, on account of the peculiar nature of their work, were not suitable for an insurance system as it then existed and caused considerable difficulty later on.

More fatal still to the financial condition of the insurance fund was the discarding of the principle that benefits should correspond to contributions. In three ways this principle was violated. The scope of benefits was rapidly extended without providing for the necessary funds to meet the increased expenditure. Benefit payments were continued to

persons long after they had exhausted their right and benefits—though under a different name—were granted to persons who, according to the principles of the original legislation, would not have had any claim.

In retrospect, it is difficult to understand why the authorities allowed the insurance fund to be impaired in this way. But to do them justice we must remember that the mass unemployment of the first post-war decade exceeded all previous estimates and that there was no suitable organization to take care of the millions of unemployed. The local authorities, already under heavy financial strain, were unable to give them assistance under the rules of the Poor Law. Moreover, public opinion, which still attached a stigma to recipients of poor relief, would not have allowed such a step. Nor was it possible to resort to private charity. Therefore, it was considered expedient, if not necessary, that the unemployment insurance fund should look after all these victims of the depression. In doing so, it lost its insurance character and became a sort of pension scheme for unemployed, partly financed by contributions from employers and workers. In 1920 benefits had been given under the most favourable circumstances up to fifteen weeks. In 1930 payment of eight weekly contributions during the preceding two years, or of thirty weekly contributions prior to that time, were sufficient to provide an insured person with a permanent pension. The result was that by the end of 1931 the insurance

fund owed to the Treasury £82,000,000, and that its income was sufficient for benefits to 900,000 unemployed, while in the first six months of 1931, the average number of unemployed was 2,500,000. The reforms which became necessary then were so drastic that they led to the overthrow of Ramsay MacDonald's Labour Government.

In order to restore the financial conditions of the insurance fund, contributions were increased, benefit rates reduced, claims restricted, and the existing deficit assumed by the Treasury. Furthermore, a Means Test was introduced to determine the actual need for the payment of benefits to persons who could not qualify for insurance benefits under the new strict rules. This applied especially to persons whose benefits period had expired. It has been estimated on the basis of the Reports of the Ministry of Labour⁴⁵ that more than 500,000 applicants have been refused further payments after the benefits period of twenty-six weeks had expired.⁴⁶

All these reform measures were, however, of an emergency nature and only meant to be temporary. It was the task of the Royal Commission on Unemployment Insurance, which had already been appointed in 1930 by the Labour Government, to recommend a plan which would provide a permanent solution. In its terms of reference, the Commission was requested "to inquire into the provisions and work of the Unemployment Insurance Scheme

⁴⁵Ministry of Labour *Report for the Year 1932*, pp. 64-65

⁴⁶Pfister, *Die Entwicklung der Arbeitslosenversicherung und der Arbeitslosigkeit in England*, Stuttgart, 1936, p. 166.

and to make recommendations with regard to (1) its future scope, the provisions which it should contain and the means by which it may be solvent and self supporting and (2) the arrangements which should be made outside the Scheme for the unemployed who are capable of and available for work". On these two subjects the Commission made careful investigations extending over a period of nearly two years and made recommendations in its final report. These have been adopted in a large measure by the Government and are embodied in the Unemployment Act, 1934.⁴⁷

The very name of the new Act—Unemployment Act, no longer Unemployment Insurance Act—indicates the change of policy that has taken place. The problem of caring for unemployed is the object of the new legislation and insurance is only one of the devices used for this purpose. Insurance has been restored to its proper place, that of caring for those who on account of their contributions have a claim for certain benefits. But the others who cannot satisfy these conditions are not left unprotected. If they have exhausted their right to benefits or if they have never had such right, they are given a new kind of aid called Unemployment Assistance. Its cost is assumed almost entirely by the Treasury as a national burden, the local authorities only contributing about 5 per cent.⁴⁸ This assistance is,

⁴⁷The former Unemployment Insurance Acts as revised by the new Act of 1934 have been re-enacted in the Unemployment Act, 1935.

⁴⁸Unemployment Act, Section 45. The contribution of the local authorities has now been amalgamated with the Exchequer Grant.

however, only available to persons whose income is below a certain limit. The Means or Needs Test, though in a milder form, is thus preserved. A further prerequisite is that the applicants are capable of and available for work, but it does not matter whether they have ever been in receipt of insurance benefits or whether they belong to an uninsured group. Those who are not classified as able-bodied unemployed, especially persons who on account of age or illness are deemed to be unemployable, become a charge on the Public Assistance Committees which succeeded the former Poor Law Authorities in 1929. In this way provision is made for all groups of unemployed: the Insurance Fund pays benefits to insured persons whose claims are valid; the Unemployment Assistance Board gives allowances graded according to need to able-bodied unemployed, and Public Assistance Committees grant relief to all other remaining groups.

The British Unemployment Act was drafted to meet the peculiar situation which has developed in the English labour market during the post-war period. Many of its provisions cannot be fully understood without an intimate knowledge of the conditions which they are intended to meet. One of the chief objections raised against Mr. Bennett's Employment and Social Insurance Act was that in following the English model, it adopted some of these provisions which, if the Act had been put in operation, would probably have proved less satis-

factory in Canada than they were in Britain. Some criticism may therefore be offered of the English system in its applicability to Canada.

While in most systems of continental Europe the amount which the insured person has to contribute to and may receive from the insurance fund is dependent upon his wages, the British Unemployment Act provides for uniform contributions and benefits irrespective of wages, only slightly differentiated according to age and sex. This method has caused many difficulties and has met with considerable criticism. For workers with good wages who accordingly pay higher rent and have a better standard of living than the average, the unemployment benefit has proved quite insufficient. In the case of low-paid unskilled workers, on the other hand, benefits sometimes come quite close to the wage level, especially if the insured is the father of a number of children which, under the English law, entitled him to additional allowances. Observers have considered that the rigid benefit rates have acted as a sort of minimum wage level and have contributed to making the whole wage system inelastic. In its Final Report, the Royal Commission on Unemployment Insurance admits the advantages of graded benefits and contributions, but rejects them nevertheless on account of their administrative difficulties.⁴⁹ It may, however, be assumed that the strongest argument against the graded rates is the use of uniform rates in

⁴⁹Paras. 391-396.

sickness and old age pension insurance. Naturally, it is undesirable to have different systems in two institutions serving such similar purposes. But this difficulty does not exist in Canada. Unemployment insurance will here be the first social insurance scheme to be introduced and it will probably serve as a model for other systems which may come later. To follow the British example will, therefore, only be advisable if it is justified by the special conditions prevailing in the Dominion. On examination, it will be found that wages vary in Canada far more than in England, not only between the various industries but also within the same industry in different parts of the country. This may be accounted for, to some extent, by differences in the cost of living. The British system of uniform contributions and benefits would therefore likely cause greater difficulty here than it does in the Old Country. It is worth noticing also that in the United States graded contributions and benefits are provided for in their new system of unemployment insurance.

The fact that in contrast to England there will not be any other form of social insurance in existence when unemployment insurance is introduced, may be considered also from another viewpoint. Friendly societies with their long experience with sickness insurance have done a great deal to make the English worker familiar with the principles of insurance. Further, the self-help activities of the British trade unions have had a fine

educational influence on their members. Prosecutions for abuse of unemployment insurance have, for instance, been much less frequent among trade union members receiving the State benefits through the Union than among other insured persons.⁵⁰ All these safeguards furnished by the old English tradition will be absent in Canada. It seems, therefore, worth considering whether it is not possible through the application of certain methods used in private insurance to enlist the private interests of the insured in keeping down the expenditure from the insurance fund.

Similar attempts have been made in Canada and the United States in accident prevention and workmen's compensation, and they have proved very successful. The amount of contributions to be paid in Canada by employers to the provincial accident fund are to a certain extent made dependent upon the frequency of accidents in their plants. Their workers on the other hand are given premiums if no accident occurs within a given period. In unemployment insurance such devices seem even more desirable since the risk of unemployment may easily be influenced by the behaviour of the insured persons. Among the 35,949 cases in which claims for insurance benefits were disallowed in Great Britain during October, 1938, by Courts of Referees, in 18,397, or about 50 per cent. the finding was that the insured had left employment voluntarily or

⁵⁰Royal Commission on Unemployment Insurance, *Minutes of Evidence*, p. 1398, Pfister, p. 60.

without just cause or that he had lost his job through misconduct.⁵¹

In a system of unemployment relief granted only to indigents, the Needs Test prevents people from making unjustified claims. It has been said that in practice this has proved to be a far more important function of the Needs Test than cutting down the allowances of those actually assisted.⁵² In a genuine insurance scheme there is no such inducement to the insured that he will apply for benefits only if he really needs them. To achieve this, insurance would have to be organized in such a way that persons who are assisted rarely or not at all have some advantage over those who draw benefits repeatedly and for long periods. To a small extent this has been done in the British Unemployment Act, 1934, through the so-called additional benefits days. In determining the length of the benefits period, the employment record of the insured person in the last five years is taken into account: persons with a favourable record are entitled to additional benefits days over and above the minimum period of thirteen weeks. This device, it is expected, will encourage the worker to draw on his own resources for short spells of unemployment and refrain from making a claim for benefits. He knows that by so doing he improves his position in case he should become in the future unemployed for a long time.

The body of experts called upon under the 1934

⁵¹(British) Ministry of Labour Gazette, 1938, p. 442.

⁵²R. C. Davison, *British Unemployment Policy Since 1930*, p. 24.

Act to supervise the finances of the Insurance Fund—the Unemployment Insurance Statutory Committee under the Chairmanship of Sir William Beveridge—evidently thinks well of the results to be obtained in that way. It has recommended that part of the 1936 as well as of the 1937 surplus of the insurance fund be used for increasing the number of additional benefits days, a recommendation that was acted upon by the Government.⁵³

However, it seems too early to form an opinion about the working of this method. The underlying psychological consideration is probably correct. But will the inducement be strong enough? The insured can only enjoy the advantages offered him by the scheme if he becomes unemployed and his spell of unemployment lasts longer than the minimum benefits period. One can imagine that there are too many uncertain factors in this calculation: that the insured will prefer to make his claim for a short period of actual unemployment instead of providing for a possibly longer one in the future.

A much stronger incentive would be created if it was possible to compensate the insured for depending on his own resources for short spells of unemployment by according him quite definite rights. The history of British unemployment insurance has various examples of this type. According to the original Act of 1911, insured persons who had drawn less in benefits than they had paid in contributions, were refunded the difference after they

⁵³Report of the Unemployment Insurance Statutory Committee, 1936, p. 20 and 1937, p. 29.

had reached the age of sixty.⁵⁴ The employer could also claim a refund of one-third of his contributions if the worker at the age of sixty had never been unemployed.⁵⁵ Both these devices were abandoned in the post-war period⁵⁶ partly on account of unsatisfactory financial results, partly because of administrative difficulties.⁵⁷

The underlying conception has been revived in a proposal made to the Royal Commission by Sir William Beveridge. He recommended⁵⁸ that any man who at sixty⁵⁹ had contributions to his credit might be allowed to retire voluntarily on a small pension, say 10s. a week, instead of working at all. In explaining his idea, Sir William emphasized the need for "enlisting the interests of employers and workpeople on behalf of the insurance fund instead of uniting them as at present in more or less of a conspiracy against it. However, Sir William's proposal was not included among the recommendations made by the Royal Commission, nor has it been embodied in the Act of the Government.

Besides safeguarding the insurance fund, such a device as that recommended by Beveridge would also have a very favourable effect on the labour

⁵⁴Royal Commission on Unemployment Insurance, Minutes, p. 39, ques. 59.

⁵⁵Ibid., Minutes, p. 480, ques. 4007.

⁵⁶1920 and 1924.

⁵⁷Royal Commission on Unemployment Insurance, Final Report, para. 26.

⁵⁸Ibid., Minutes, p. 723.

⁵⁹Under the provisions of the British Old Age Pensions Act, 1925, an insured person may not receive a pension before the age of 65.

market. By making it possible for men of sixty with a good employment record to retire with pensions, jobs would become available for younger people. The present situation is certainly most unsatisfactory: men who have done their share and need a rest cannot get it because no provision is made for their old age, while young people anxious to use their energy are paid unemployment benefits. Beveridge's suggestion shows a way out of this dilemma. It would be of particular value in the case of workers over sixty years of age who have lost their jobs and under present-day conditions have very slight prospects for re-employment. Germany has made similar provision to that suggested by Sir William Beveridge for clerical workers over sixty, a group in which unemployment was very heavy during the depression.⁶⁰

UNEMPLOYMENT RELIEF

From the experience of Britain, we have learned that unemployment insurance alone is not sufficient to take care of the unemployed. We have also seen what a great risk it means for the insurance fund if there is no effective scheme for dealing with the unemployed who are not protected by insurance. No Government can permit respectable citizens and voters, who by no fault of their own have become indigent on account of unemployment, to remain

⁶⁰Clerical workers have in Germany a contributory old age pension system of their own entitling them to rather substantial pensions when sixty-five years of age. During the depression the Act was amended entitling the insured to pensions at the age of sixty provided they had lost their jobs and had been unemployed for more than six months.

without adequate help after they have exhausted their claims against the insurance fund: that is just the time when such help is even more needed than before. The lesson can be learned from England that unemployment insurance and assistance for the unemployed outside insurance are interrelated problems that must be tackled simultaneously. All the more so as at present and for many years to come there will be in Canada a great mass of unemployed who, though employable, will derive no advantage from the introduction of insurance. They are the men and women suffering from chronic unemployment—the hard core of unemployment as they have been called in England. Out of 100 relief recipients registered at the beginning of June, 1937, 85 in Montreal and 87 in Ottawa would not have been entitled to insurance benefits under Mr. Bennett's Act because they had been on relief for more than thirteen weeks. An inquiry made in February, 1938, at a number of relief offices revealed the following picture:

CITY	NUMBER OF PERSONS ON RELIEF	PERCENTAGE ON RELIEF FOR 13 WEEKS OR LONGER
Edmonton.	10,175	85
London	5,623	61
Montreal.	78,154	58
Ottawa.	14,733	80
Vancouver.	19,660	72
Windsor.	12,303	95
Winnipeg.	5,932(families)	79

At the same time of the 142,452 persons who were on relief in the Province of Quebec, 60 per cent. had been assisted for thirteen weeks and longer.

Actually the number of those not entitled to insurance benefits under the Canadian Employment and Social Insurance Act, 1935, would be considerably larger, since it may be expected that a large percentage would not have been able to fulfil the other statutory conditions laid down in the Act for receipt of benefits, especially payment of contributions, for not less than forty full weeks preceding the period of unemployment. It is, however, impossible to collect any data in that respect.

It is true that the number of persons with long spells of unemployment will be reduced as business recovers, but for some time to come it will remain considerable and it will never become unimportant. Who is to take care of them?

If the present legislation remains unchanged, they will be entitled to unemployment relief under the Federal Relief Act. The present relief system has met with severe criticism from many sides. But in spite of all its inadequacies the system has the great advantage of distributing the financial burden between the Dominion, provinces and municipalities, while the costs of poor relief or, as it is usually called, public welfare, are in most provinces an exclusive municipal charge. The participation of Dominion and provinces also ensured a certain degree of uniformity in administrative methods, at least within the various provinces and makes possible a certain supervision by provincial authorities. Prolonged receipt of unemployment relief does not affect one's status as a citizen, while in New

Brunswick, for instance, persons assisted under the Poor Law are disfranchised.

But even if the present federal relief legislation should remain in force, relief under its provisions would by no means be available to take care of all those who exhaust their right to insurance benefits under a scheme of unemployment insurance. Relief is granted only in a limited number of municipalities which have made arrangements for that burden with their provincial governments, have signed special contracts and have pledged themselves to fulfil the conditions contained therein. The number of these municipalities is decreasing, especially in the East. In Nova Scotia where in 1933 relief had been administered in 31 municipalities, at the beginning of 1938 only five municipalities were left, while in New Brunswick relief was abolished altogether in 1936, the province receiving instead of relief, federal contributions to its programme of public works.

It seems quite likely that in a comparatively short time relief will no longer be available in many parts of the country. While this may be a highly desirable development, it means that after unemployment insurance has been introduced, unemployed persons no longer entitled to insurance benefits, will, as far as they are indigent, become a municipal charge. It means that after a period of insurance benefits obtained without any form of means test, they will be exposed to the humiliating scrutiny of public assistance. They will be subject

to the complicated settlement rules of public welfare regulations and they will even be disfranchised in some provinces. The fall will be a precipitous one indeed.

If on account of these considerations it should be concluded that some constructive measures will have to be devised to assist the unemployed not protected by insurance, the further question arises as to the authority that should be charged with this responsibility. Once more we can look to recent English developments for a solution of the problem.

When in 1931 the British Government made payment of unemployment allowances dependent upon a means test for persons who had been assisted longer than twenty-six weeks, the scheme was administered by the local authorities. They were deemed suitable for that purpose owing to their long experience in Poor Law and Public Welfare administration. Their expenditure was refunded by the Exchequer. The device was a temporary one and meant to last only until the Government found a solution for the whole problem of unemployment, including insurance and relief. But while an agreement could be reached without difficulty on the question of insurance, the problem of relief proved to be a controversial one.

The Royal Commission had given careful consideration to the question whether unemployment relief should be administered by the central government through the medium of the employment

exchanges or whether it should be made a responsibility of the local authorities. In their final report, after examining the advantages and disadvantages of both systems, the Commission rather emphatically rejected the idea of a relief administration conducted by the Ministry of Labour. Such a system—that is the gist of the Report—would burden the central government with the responsibility for all decisions taken by relief officers throughout the country and would lead to discussions of local relief policy in Parliament. Since, as the Report states, “there is no way by which the question can be taken out of politics”⁶¹ the Commission preferred to have it in local rather than in national politics.

Accordingly it was proposed that relief should be administered by the local authorities under close supervision by the Minister of Labour who should determine the general standards of administration. The cost of the new service was to be divided between the Exchequer and the local authorities, the former bearing considerably the greater part.⁶² The proportion was to be determined by means of a formula based on unemployment records and offering no inducement to enlarge or to reduce the number of persons to be assisted.⁶³

A decision in favour of local authorities was also advocated by many social workers and municipal experts. They claimed that the newly formed Public

⁶¹Final Report, para. 238.

⁶²Ibid., paras 267-269

⁶³Ibid., para. 546.

Assistance Committees were most suitable for the task as they were free of the spirit of the old Poor Law and guided by modern social principles. The supporters of this policy further pointed out that the care of indigents in a community was and always had been the duty of municipalities and that it should not make any difference whether indigence was caused by unemployment or by other reasons. They explained that it would be bad administrative policy to differentiate between the various groups of indigents for other reasons than their need, that close familiarity with local conditions as enjoyed by municipal boards or commissions was indispensable to the task, and that therefore relief should be closely linked up with the other branches of local welfare administration. They claimed that it would mean a duplication of services to establish a new board for the care of indigent unemployed.

However, politicians and press were not of that opinion. They interpreted the slogan "Unemployment is a National Responsibility" as meaning that material aid for the unemployed should be dispensed by central and not by local government. The taxpayer and not the local ratepayer was to shoulder the burden. Such a policy was also advocated by numerous representatives of municipalities who were anxious to get rid of the financial responsibility of unemployment relief.

Whitehall being itself dissatisfied with the administration of transitional benefits through the

local authorities, yielded to that powerful movement. Consequently in the Unemployment Act, 1934, the task of assisting able-bodied unemployed outside insurance was assumed by the central government and entrusted to the newly formed Unemployment Assistance Board.

The Board means a compromise. It is not a section of the Ministry of Labour, a possibility that was emphatically rejected by the then Minister during the discussion in the second reading.⁶⁴ Nor is it an agency of the local authorities, though advisory committees composed of local persons provide a certain link with the municipal governments. The Board is a semi-independent body modelled on public utility boards which had proved so efficient in Great Britain, administering electric power, docks, broadcasting, etc.⁶⁵ The Board has far-reaching powers. It appoints its own staff and makes its own regulations which Parliament can repeal but not amend. It has its own organization covering the whole country. There were at the beginning of 1937, 242 area offices (including 53 subsidiary offices or out-stations in certain large areas) distributed throughout England, Scotland and Wales. For purposes of co-ordination and control, the areas are grouped in districts and the districts in regions, while the whole organization is directed from a small headquarters in London.⁶⁶

⁶⁴Parliamentary Debates, 5th Series, vol. CCCLXXXIII, col. 93.

⁶⁵A. M. Carr-Saunders, "The Unemployment Assistance Board", *The Political Quarterly*, 1936, p. 146.

⁶⁶*Report of the Unemployment Assistance Board for the period ended December, 1936*, p. 7.

For districts with a comparatively small number of applicants, officers of the local authorities acted as agents for the Board during its first two years of operation. Afterwards these districts were taken over by the Board, since local authorities were for various reasons of their own anxious to be relieved of such responsibilities. But it is stated by the Board that the administration in these districts was carried out with little or no friction, and that the decisions of the officers were accepted as fair.⁶⁷ The scheme, although only of a temporary nature, is mentioned here because it offers a solution for thinly populated areas with few applicants.

The clients of the Board are the able-bodied unemployed under sixty-five years of age who have no claim for insurance benefits. It is the task of the Board to promote their welfare, not only by granting allowances but also by such other measures as are deemed suitable for improving and re-establishing their employability. Instruction and training for youth and adults, land settlement and transference to other areas, play an important part among the activities of the Board.

Allowances are graded according to standard scales uniform for the whole country, but adequate provision is made for the exercise of discretion so that modification can be made to fit the circumstances of an individual case. The amount of the allowances to be granted is based on the needs of an applicant and the needs of the household

⁶⁷*Ibid.*, p. 9.

dependent on him. In assessing these needs, the Board has to take into account the resources of all members of the household to which the applicant belongs, except certain kinds of resources specified in the Act. Provision is also made to meet special conditions. In that way the whole system combines uniformity of principles with flexibility in their application.

It is easily understood that the introduction of this new system met with certain difficulties as the local authorities which had granted allowances before had not been bound by such detailed rules and had fixed the amount at their discretion. Although the regulations issued by the Board after approval by Parliament in 1935, provided for an increase of allowances for about one-third of all recipients, public opinion in the areas which were to suffer a decrease naturally reacted very unfavourably to the new scheme. The question was taken up in Parliament and the Unemployment Assistance (Temporary Provisions) Act of 1935—popularly called the Stand-Still Act—was passed to meet these complaints. It provided that for a transitional period an applicant should be paid either an allowance according to the new regulations, or such allowance as he would have received if payments under the administration of the local authorities had continued, whichever was the higher. Government and Board have been severely blamed for not avoiding these difficulties. Those coming to their

defence⁶⁸ have pointed out that 800,000 families with their dependants, altogether $2\frac{1}{2}$ million people, had to be taken over by the new administration within nine months from 200 Public Assistance Boards with over 1,000 sub-committees; that there had crept into the relief administration of the local authorities a good many anomalies and abuses; and that an attempt to bring them to an end would naturally cause some friction. The new regulations which came into operation after the Stand-Still Act expired, contained the same basic principles as the original regulations. But the Board had the wisdom to provide this time for a period of transition from the local to the new national standard.

Since then the Board has no longer received much publicity. It has worked quietly and efficiently. It has won the confidence of its clients and the approval of the observers who saw the Board's officers at work. Even scientists, who like Professor John Hilton⁶⁹ of Cambridge, are in principle opposed to a system that is based on the needs test, are full of admiration for the fine services rendered by the officers of the Board. It is true that the Unemployment Assistance Board has developed differently from what was expected at the time of its establishment. It was found once more that uniform scales of benefits will not work when the individual needs of thousands of families have to

⁶⁸John Hilton, "The Public Services in Relation to the Problem of Unemployment", *Public Administration*, 1937, p. 3.

⁶⁹*Ibid.*

be assessed. By the end of 1937 less than half of the Board's clients were paid according to the regulation scale.⁷⁰ The local officers of the Board had to display far greater discretion and to be allowed far greater responsibility than was customary in other branches of a central government administration. But this development speaks more in favour of than against the policy adopted by the Board and has thus been commented upon. To quote Professor John Hilton:⁷¹ "it has never until today been possible to see each unemployed person as a separate and distinctive case needing special aid. It has still less been possible to treat each one as such. The nature and method of the Unemployment Assistance Board has made that for the first time possible."

Some difficulties seem to have been encountered by the Board in taking over able-bodied persons hitherto cared for by Public Assistance Committees under the Poor Law. The local authorities, anxious to get rid of financial responsibilities, naturally tried to transfer as many of their clients to the Board as possible. Since the line of demarcation drawn in the Act was not a very clear one, many disputes arose. During the initial take-over, one-third of the 135,000 cases whose transference was asked for, had to be rejected by the Board. The opinion has been expressed that the enclosure of these Poor Law cases under the tutelage of the Board would better have been avoided.⁷²

⁷⁰R. C. Davison, *British Unemployment Policy Since 1930*, p. 80.

⁷¹*Ibid.*

⁷²*Ibid.*, p. 82.

The fear that the efforts of the Board might duplicate the social services of the local authorities, has not proved to be justified. There seems to be close co-operation between the Board and the officers of the local authorities. This is facilitated and encouraged by the formation of advisory committees in all administrative areas of the Board. They comprise members with experience in the local administration of public health and public assistance, members with knowledge of industrial conditions from the workpeople's and employers' point of view respectively, members actively engaged in social service in the area and members with knowledge of the other special requirements and conditions of the locality. The functions of the committees are to provide information and advice on matters which may have a bearing on the Board's work in the locality and to obtain information and advice with regard to the best treatment for certain types of cases.⁷³

Reading the Annual Reports of the Regional Officers of the Board⁷⁴ which in their vivid descriptions of the work sometimes seem to lose their official character, we learn how they make available to their clients the social services of the local authorities, especially health services, while on the other hand health and housing officers of local authorities apply to the Board for aid for indigents under their care. Co-operation here really seems to be not a phrase but a reality.

⁷³Report of the Unemployment Assistance Board, 1936, pp. 32 and 34.

⁷⁴Ibid., Chap. 7; Report, 1935, Chap. 8.

It is still too early to form a definite opinion about the interesting experiment being carried out in Great Britain by the Unemployment Assistance Board. But it seems to indicate that a system of unemployment relief may be operated efficiently on a national basis provided that its organization is flexible enough and that great care is taken to enlist the co-operation of municipal authorities.

These results obtained by the work of the Unemployment Assistance Board are of particular interest to the Canadian observer at the present time. For the National Employment Commission which was set up by the Dominion Government in 1936 to investigate the unemployment problem has in its Final Report recommended for Canada an organization of unemployment aid very similar to that operated by the Unemployment Assistance Board in England. According to the Report, not only employment exchanges and unemployment insurance should be established on a national basis, but the Dominion Government should also assume responsibility for unemployment aid as far as employable people are concerned, while unemployables should remain a charge for municipalities and provinces. Naturally if the Government should adopt this recommendation many of the problems with which the Unemployment Assistance Board had to cope would arise in Canada. When it is stated in the Report⁷⁵ that "the aid given would be modified in proportion to the means which the applicant had for

⁷⁵Final Report of the National Employment Commission, p. 30.

providing for his own needs", we are reminded of the detailed regulations issued by the Unemployment Assistance Board to determine permissible income of a family on relief. The struggle in Great Britain centring around the Stand-Still Act is recalled when we read in the Report that "in establishing the maximum amounts (of aid) it would be essential to observe the principle of maintenance of incentive to accept employment by relating the maximum aid to actual earnings in each centre and regional division". The local advisory committees of the Unemployment Assistance Board are also anticipated in the Report when it is stated "In establishing the existence of need, it would be necessary for the Dominion administration to work in collaboration with provincial and municipal welfare agencies, caring for assistance not involving unemployment, in order to avoid the overlapping which would be occasioned by the setting up of wholly independent staffs. Such co-operation is essential in any welfare work and the problems of it would not be increased but rather reduced by having a nationally administered system of unemployment aid."

The reasons given in the Report for its recommendation correspond to a large extent to those which in Britain led to the establishment of the Unemployment Assistance Board in 1934. It is explained⁷⁶ that the Dominion, on account of the flexibility of its revenues and of the broader experience of its officers, is in a better position than

⁷⁶Ibid., p. 28.

the provinces to meet the highly fluctuating requirements of unemployment aid; that with clearly defined rules of eligibility the dangers of competition and bargaining between government units and the tendency to shift responsibilities, could be reduced; and that the unpleasant experience of joint responsibility could be avoided.

The Commission further advocates that the administration of unemployment aid should be combined with that of unemployment insurance and the Employment Service of Canada. It sees in such a comprehensive organization the best financial and administrative method to deal efficiently with the problem of unemployment. This recommendation of the National Employment Commission differs from the system adopted in Great Britain, for the Public Assistance Board, though closely co-operating with the employment exchanges and the agencies for unemployment insurance, is, from the administrative point of view, an independent body.

IX

WHAT OF THE FUTURE?¹

CHARLOTTE WHITTON

Two, among many, conclusions must emerge with particular insistence from any study in these recent years of Dominion participation in the relief of distress, occasioned by urban and agricultural need. Wide and persistent as have been their toll, loss of gainful occupation and crop failure are seen to be but two of many causal factors in the creation of social dependency. And, in spite of this fact, no Canadian province or municipality is yet equipped in legislation or practice adequately to plan and effectively to handle the alleviation of what may be described as the ordinary distress which arises in the so-called normal exigencies of modern community life.

The preventive and ameliorating services, with which most modern industrial states equipped themselves, prior to 1930, or in the immediately succeeding years, are still lacking in the Canadian state. We are still carrying on, on an "interim" basis as far as the "unusual" circumstances of unemployment or agricultural aid to which the Dominion contributes are concerned, and while nine

¹Editor's Note. This chapter follows in broad outlines the submission made by the Canadian Welfare Council to the Royal Commission on Dominion-Provincial Relations. Miss Whitton is Executive Director of the Canadian Welfare Council.

provinces now participate under the Dominion old age "pensions" scheme, and seven have enacted mothers' allowances measures, it cannot be said that there yet exists in any province any comprehensive system for the prevention and alleviation of distress, incidental to day to day living, nor any provisions whereby such machinery can be suddenly and effectively adapted to meet any unusual or large scale manifestation of need.

The explanation has lain, in part, in the comparative wealth, and generally reasonably high standard of living of a country, incredibly rich in its natural resources, with a small population and in an early stage of its development. But our failure, in these later years, better to arm ourselves against these thrusts to our people's well-being, has been due to the vaguely defined and clashing jurisdiction of the Dominion and the provinces in the provision of social security. Even had there been agreement in Canada, at any time in the last decade, as to the means to be followed in amending the British North America Act, there is no doubt that there was little unanimity, because there was so little clarity of opinion, as to what allocation of responsibilities and powers would be advisable. Even shed of the bristly thorns of legal and fiscal considerations, the residual problem of where and how the administration of our social services should be developed remains too widely unstudied and unanswered today. Analysis of our problems, assessment of our failures, we have had "aplenty" in these

recent days, but where, how, along what lines may we seek the more effective alleviation of distress in the future?

Dependency in the Population.

Looking at the population to be served from the status of dependency or self-support, it will be seen to divide roughly into three broad categories:— (1) persons, wholly and fairly continuously dependent upon the community and regarded in “pre-depression” days as the “ordinary run of poor relief or indigent cases”; (2) persons, ordinarily self-supporting on small income but wholly or partially dependent in the event of any contingency, the so-called “dwellers in the borderland”, the clientele in ordinary times of the “friendly society”, the church and the voluntary social agencies; (3) persons, ordinarily and reasonably secure and self-supporting, and ranging from the average middle class to the surplus income group.

It is upon the latter two groups that recent years have laid heavy hands, pressing large numbers of both into the first group, and leaving disheartening numbers of the ordinarily self-supporting in the marginal land of insecurity.

The distress, into which individuals in the modern industrial state may be thrown, can be described as breaking into two broad aspects. First, there is that type of dependency which can now be predicted within reasonably accurate measurements, such as the dependency of the worker

due to ill health, old age, loss of gainful occupation, or premature incapacitation or death. The other broad group or type of distress may be described as arising from unpredictable exigencies, individual in nature and, though occurring with certain common factors, yet on the whole varying with the individual and the community.

Social Insurance for Predictable Need.

It is now recognized in most modern industrial states that special social devices are desirable for the protection of the worker of low income from this first type of dependency arising through predictable cause. Consequently, social insurance has been widely developed along the line of joint protective plans in which the working citizen and the State join to provide savings or insurance when such exigencies arise. Modern social insurance does provide a scheme through which individual initiative, integrity and self-reliance can be incorporated into the State's measures to assure protection to its citizens in need and, as such, it is now generally regarded as essential for the protection of the worker of low income in the modern industrial state.

The evidence of these recent years all argues that the principle should be introduced in Canada to cover (within such limits as sound actuarial principles will allow), dependency arising from (1) old age, (2) widowhood or orphanhood, (3) the cost of care and the impairment of income in sickness and ill health; and (4) unemployment or loss or impair-

ment of gainful occupation. In view of the large number of our people engaged in agriculture, fishing and other pursuits on an individual or owner-operating basis, any system of social insurance, developed in Canada, should be flexible enough to provide for the participation of the worker "on his own" in partnership with the State, as well as, of course, wage workers in partnership with the employer and the State.

Social Assistance for Unpredictable Need.

Contributory social insurance, however, cannot be soundly or actuarially planned to cover even all the able-bodied needy, nor can such a scheme contemplate the inclusion, in times of need, of workers or their dependants unless the former are ordinarily gainfully occupied on a self-supporting basis. Nor can any such system sustain catastrophic or long protracted periods of idleness or need. Consequently measures of direct assistance and relief are necessary as alternative and supplementary lines of defence to schemes of social insurance. Life in the modern state requires that such measures be evolved to provide care for persons rendered dependent by (1) extraneous or unforeseen circumstances; (2) by personal handicap of a physical, mental or social nature and for persons, who, for various reasons, may have fallen out of insurance.

Need calling for assistance on the basis of relief occurs over many and varied categories but on the whole it may be divided into two general groups:—

(1) need of a nature which may be given in the person's home or ordinary place of abode, and which is, therefore, described as "outdoor" aid or relief; and need of custodial care, or need that involves treatment "indoor", in some place other than the individual's abode and which is, therefore, described as "indoor" relief.

Modern social practice favours individual care and treatment in the home, with the least possible disturbance of family and community life as the most preferable form of assistance in all circumstances in which it is reasonably possible to extend it. Good social work further insists that the provision of help should be accompanied by every possible effort to effect the re-establishment of the individual on a self-supporting basis. Particularly where the person's need is individual in cause or remedy, the procedure of diagnosing and of meeting that need should be highly skilled and individualized. All such processes require an intimate knowledge of the individual himself, of his background and environment and of the resources which will be used in treatment. Inevitably, therefore, much of our social work with families or individuals in their own homes cannot be highly centralized but must be closely related to the life of the individual and to the background of his community.

For those whose need requires "indoor" or custodial care, away from their own homes, provision will vary with the type of that need. For many

suffering from less severe handicaps or incapacitation, provision on a local basis at modest cost is possible: for others, however, where the service required is specialized and therefore, more costly, circumstances demand provision on a basis of as large a unit of population as can be reasonably well served by central facilities for care and treatment.

The Allocation of Administrative Responsibilities.

The problem of the immediate years in the Canadian social scene is the working out of some adequate and well co-ordinated system of contributory provisions against predictable need and of adequate measures for relief at need for all those who cannot be helped through our participating social insurances. Looking at the problem, primarily from the angle of administrative considerations, the distinctions in type of need, just developed, seem to offer certain arguments in the allocation of administrative procedure.

Measures of contributory social insurance, properly regarded, cannot be accurately described as public philanthropy: they are rather co-operative savings and investment plans whereby the State and the citizen, on a scientific basis, enter into partnership against the "rainy days" of predictable need. There is therefore a sound argument for keeping their organization and administration separate and distinct from the payment of non-contributory help from the social services proper.

The Contributory Insurances.

Following this line of argument it is suggested that advantage might be taken of the present distinction in jurisdiction between the Dominion and the provinces, to keep the organization of contributory insurances quite distinct from measures of non-contributory grants of aid, assistance or relief; on the other hand the necessity of a Dominion-wide coverage and of one practice throughout the entire country is fully recognized. Special provisions directed to this end might be evolved through the creation of a Dominion Social Insurance Board, reporting directly to Parliament, through a designated Minister and constituted from nominees of the provinces, of the Dominion, of the insurance corporations of Dominion-wide activity, and of industry, agriculture and finance. From this Board a full-time executive board of three, with necessary technical staff, might be entrusted with actual administration. The reconciliation of Dominion-provincial claims, it is suggested, might be met by the preparation of the governing legislation in conference, representative of these interests, and its simultaneous enactment by the Dominion and by each of its provinces. Much of the detail of administration would depend upon regulations which might be promulgated on recommendation of this Dominion Board which, as suggested, would also be representative of both Dominion and provinces. The possibility of utilizing, for all appropriate functions, the facilities of the chartered insurance

corporations in Canada, as in Great Britain, cannot well be overlooked in any plan for early and effective extension of social insurance to all parts of the Dominion.

Assistance and Relief.

All measures of non-contributory assistance for the relief of need, which would not be met by insurance and rehabilitation schemes (again approaching the problem from the administrative angle primarily), might be regarded as the primary responsibilities of the provincial unit of government, with such re-distribution of responsibilities between each province and its respective municipalities as might be found practicable in diverse circumstances.

Thus to the provincial authority might be left direct responsibility for alleviation of needs occurring with common manifestations over broad areas, such as non-contributory assistance, in their own homes, to the aged; to the handicapped and the infirm; to dependent children with their mothers (in cases in which there is no question of other than economic need), to the able-bodied needy, ineligible for insurance and who had exhausted insurance benefit.² With the province, also, would be left institutional care for those whose

²Editor's Note: The National Employment Commission in its Final Report has recommended that material aid for able-bodied unemployed who are not entitled to insurance benefits should become a national responsibility and administered by the Dominion (see Chapter VIII, p. 384ff.). For other types of social assistance the Report advocates, as is done by Miss Whitton, provincial and municipal responsibility.

physical or mental conditions require specialized and, therefore, more costly types of provision and which might consequently be more economically assured through centralized units serving large population groups.

There would be left to the local authorities responsibility, under provincial supervision, for material relief in their own homes to persons not covered by insurance benefits or by provincial assistance of a non-contributory nature, and also institutional care of the aged, of the infirm, and of others, which not being of a costly nature, might be provided, at moderate cost, in the small "home" or community unit of the local municipality or county.

This suggested distribution of responsibility is based on an approach that is primarily concerned with what may be proved most desirable on the ground of administrative considerations. The question of financial capacity and of taxing powers, of the possible re-allocation of revenue and taxation as between Dominion, provincial and municipal authorities is temporarily laid aside, as belonging to another and different field than that of social administration. These suggestions advance rather the advocacy of principles which may be regarded as sound in administrative procedure and practice in a system of community services, designed to effect a well-balanced system of protection against dependency and need.

Importance of Local Administration.

Pre-occupied with conflicting Dominion and provincial claims in recent years, Canadians have given insufficient attention to the extent to which many of our difficulties, in the extension and costs of the social services, turn upon the lack of sound policy and procedures in actual administration. One immediate administrative problem in the social services is that of assuring qualified personnel in the handling of problems of a highly technical nature but of preserving at the same time the democratic principles of self-government, and particularly of local self-government. The township or rural municipality, the village, and, in many cases, the town municipality are not large enough to make possible the adoption of simple practical procedures, in units of such a size as to assure general supervision through a fully representative board, and the actual administration of services through full-time qualified staff. Whereas the larger urban unit and, in the eastern maritime and central provinces, the county unit offer areas adequate to the development of full-time local services, in the four western provinces no unit intervenes between the local municipality and the provincial authority. A great part of the answer to our problems, even of Dominion-provincial relations in the provision of the social services, lies in the evolution of an adequate system of local administration and control as between each province and its local authorities.

For the development of more effective working procedures, these recent years would seem to have proved that, within each province, there should be set up, either a special department or a branch within an appropriate department, charged with the responsibility of administering the non-contributory welfare services carried by the province and its municipalities. Provincial-municipal adjustments might be most happily effected by the creation of an advisory Provincial Welfare Board, auxiliary to the provincial executive services and representative of the province itself and of the municipalities within the province, and with its chairman selected from the nominees of both province and municipalities.

The constitution of Local Welfare units might then well be studied on the basis of the inclusion, within the areas of their jurisdiction, of such municipal units as would provide a reasonably workable area, having regard to the type and extent of population and territory to be served. Welfare Supervision Boards for the supervision of each local unit, similar in principle and set-up to the proposed provincial board, would serve at the same time, as disinterested supervising bodies, reconciling the claims of the local authorities within the area of jurisdiction and serving as the "go between" with the province. All these Boards would require to be appointed for a fixed period of time and while the amount and assessing of their budgets would have

to rest with the elected authorities, once approved, the disbursement of the funds provided for welfare services within these areas and the appointment and supervision of the administrative staff would rest within their control for the term of their administration.

A Dominion Provincial "Tie-In".

Since the point of view, here advanced, is that the non-contributory services are regarded as primarily provincial and municipal responsibilities, the Dominion's responsibility in respect thereto is regarded as consultative and advisory, rather than administrative, and as such could be discharged by conference and clearing services. Such obligations, might be discharged by the creation of a Dominion Advisory Welfare Board, reporting to Parliament through the President of the Privy Council and consisting of sixteen members, the nine chairmen of the Provincial Welfare Supervision Boards, and seven co-opted members—serving in rotating terms of three years each, and representative of definitely organized voluntary interests in this field.

Such a sequence of Advisory Dominion, Supervisory Provincial, and Administrative Local Welfare Boards, it is submitted, would fit within the existing constitution, recognize fully provincial autonomy, and local self-government claims, and yet introduce greater consistency in principle and practice within the whole field.

Grants in Aid.

While this is the framework ultimately visualized, as necessary in the evolution of a better system of social security for Canadians, it is recognized that interim adjustments may be necessary in a period of transition, and that, during that time, subsidies may be required from governmental units of greater resources to units of lesser. The evidence of the last eight years surely argues that all such grants in aid should be subject to quite definite principles and controls:

1. No grant-in-aid should be given on a mere "stop-gap" or "hand out" basis; it should be definitely granted either on an interim basis, or for a fixed period of time, or as a definite part of a well articulated joint scheme of mutual assumption of recognized and enforceable obligations.

2. The purposes of any grant-in-aid should be explicit; proof of its application in accordance therewith capable of establishment, and its payment calculable on some measurable unit, such as a per capita basis of cost, a payment per unit of territory, a percentage on assessment values, revenues raised, or some similar definite unit of actual calculation.

3. If at all possible the payment of any grant-in-aid on a percentage basis should be avoided, since it is likely to encourage increased expenditure by the unit subsidized. Grants-in-aid should be made according to carefully adjusted formulae, based upon such factors as actual costs; the resources, production, and wealth of the unit

subsidized; the occupational opportunities and activities therein; the nature of the territory aided; the population content from the point of view of the relative percentage of young, aged, incapacitated, etc., therein.

4. No grant-in-aid should be given by the unit of government responsible for the collection of this revenue, to be expended by another unit of government, without responsibility in its assessment or collection, unless the authority of the first unit is fully admitted in supervising and, if necessary, enforcing the use of such aid in the actual purposes for which it is provided.³ This authority should be recognized as embracing, if need be, actual assumption and direction of any project by the authority bearing the major portion of the costs thereof.

On the whole, however, the partnership of Dominion, province and municipality in the provision of social services for the Canadian people should rest on two fundamental principles: first the division of jurisdiction, according to type of need and service involved, rather than assignment of administrative responsibility to one unit of government and reservation in whole, or in part to another unit of the taxing authority for maintenance of such services: and, secondly, the assumption of entire responsibility by the Dominion for certain services (contributory social insurance), subject to such co-operative constitutional devices

³There is no question of the authority of any province of Canada to attach such absolute conditions to any aid or authority granted to any municipal authority, since the latter are all institutions of provincial creation.

and adjustments of taxing powers as may be worked out between the Dominion and provinces.

Some Basic Assumptions.

In this discussion of the nature and extent of the social services, deemed necessary for the security of the Canadian people, it has been assumed that the principle of social responsibility for the alleviation of suffering and need is an accepted fact. It is axiomatic that, as far as is possible and reasonable, each citizen in a democracy shall accept his or her share of its burdens. It is a first duty of the State to attempt to assure for all its citizens, able and willing to work such conditions of gainful occupation as will make possible at least the essential elements of survival. In its failure to maintain such minimum opportunities the State must assure, directly or indirectly, other means for the minimum sustenance which life demands.

But in Canada, as in many states, real wages and the returns upon natural products depend upon international as well as national factors. When wages and incomes cannot be sustained at the minimum levels of sustenance, one line of support is found in the indirect supplement of the community's social services. Their provision is necessitated by the simple fact that certain things requisite to the sustenance of life, even at minimum standards of survival, may prove beyond the resources of the individual, whether the cause be individual or social.

But the first line of action in the healthy state must be to prevent and retard the trend to dependency, for it taps at the very source of national virility and the sense of reasonable security, necessary to the growth of courage, freedom and independence, especially in a young land. The task immediately before us is to work out, within the existing social structure in the Dominion, reasonably tolerable conditions of social well-being in our own generation, without prejudice to the Canada of a hundred years hence.

One of the first lines of action to defeat need should be more effective and concentrated control in directing the gainful occupation of the people into suitable channels both of primary and secondary production. This calls for Dominion-provincial collaboration in planned colonization, in the depopulation of derelict areas in which there is no hope of re-establishment of the population on a self-supporting basis, and in re-settlement of this and other population in areas and conditions giving hope of rehabilitation. In these developments, established precedent seems to justify Dominion leadership in the administration and organization of such proposals. There is no doubt however that the effective execution of such plans would be furthered through measures of periodic conference and planning along interprovincial lines, but with the actual administration of such schemes entrusted to inter-departmental machinery within the respective provinces.

The second line of major effort in arresting the growth of need calls for the stimulation of training for occupational, placement, and employment services. Here the problem is much more complicated because of the constitutional reservation of all educational services to the provinces and the obvious relationship of vocational training to gainful occupation. On the other hand placement and employment plans must be free to envisage occupational opportunity in the diversified life of the Dominion as a whole.

These conflicting considerations might be reconciled in the assumption by the Dominion of the initiative in the constitution of an Employment Service Council, reviving and continuing the body which functioned until 1930, and absorbing into it the present Youth Training Committees. As contemplated under the Co-ordination of Employment Services legislation of 1919, this Dominion conference and consulting body might be integrated with parallel provincial and regional bodies. Under such an arrangement, a co-ordinated plan for the development of services could be outlined and supervised by this Dominion consultative body, but actual administration, along identical and co-operating lines, could be vested in the provinces.

And a word of necessary caution seems urgent as we plan the structure of our social services for we cannot safely ignore another important angle of the situation. The very limitations upon earnings and the results of gainful occupation which necessitate

provision of the social services demand in turn recognition of the definite and measurable limits upon what it is actually possible for the gainfully occupied workers of Canada to do on behalf of those who are dependent in whole or in part upon the results of their labour. Only 37 to 38 per cent. of the people of Canada were actually engaged in gainful occupation at the time of the last census (1931), while 32 per cent. of the Canadian population were children under fifteen years of age. Altogether about 60 per cent. of the Canadian population are normally dependent upon the gainful occupation of the rest. In other words every working Canadian through his own efforts must produce income to support about two other consumers.

Conclusion.

All in all, the creation of an adequate structure of social services in the Dominion is not likely to be found in any device quite so simple as the raising of money by the Dominion for subsidy to the disbursements of other authorities, nor yet by the surrendering of certain taxing powers to the Dominion and the centralization of services there. It is suggested that the way out is rather to be found in a Dominion-provincial partnership whereby the Dominion may directly assume certain responsibilities in their entirety, and recognize others as resting with the provinces, with such allocation thereof to the local authorities as might be worked out,

equitably and reasonably, between each province and its municipal units. The practical success of such a solution would depend, in large part, upon the spirit in which it was approached, and upon acceptance of the principle that where a senior unit of revenue granted subsidy for disbursement by an authority not responsible for its collection, conditional safeguards to assure its adequate administration were not only just but necessary and proper.

In the years since Confederation incredible changes have taken place in the structure of community life while the conditions on which the original partnership of the maritime and central provinces was constituted have been fundamentally affected by the inclusion in the Dominion of the extensive and markedly different areas of the prairie and the coast provinces. The development of local government and the extension of educational, health, and the social services have shifted the larger share of spending from the Dominion authorities, where Confederation had found it, to the provincial and local governments. The Great War, meanwhile, has forced the Dominion authorities into the field of direct taxation, originally the purview of the provinces. All these circumstances have contributed to a situation in which intensive examination and possible readjustment of the articles of partnership are inevitable, but all the Canadian story argues for patient memory of the past in consideration of the present and the future.

The terms under which Confederation was established have followed on long decades of self-government of the five provinces associated in the evolution of the British North America Act. This fact, and the diversity of the physical resources, of the life, customs, traditions and outlook of the nine provinces must all be borne consistently in mind in the consideration of any possible adaptation now, to meet the changed conditions of changing times.

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